

4-1-2002

# 2001 Annual Report Card on Poverty in Maine

Maine State Planning Office

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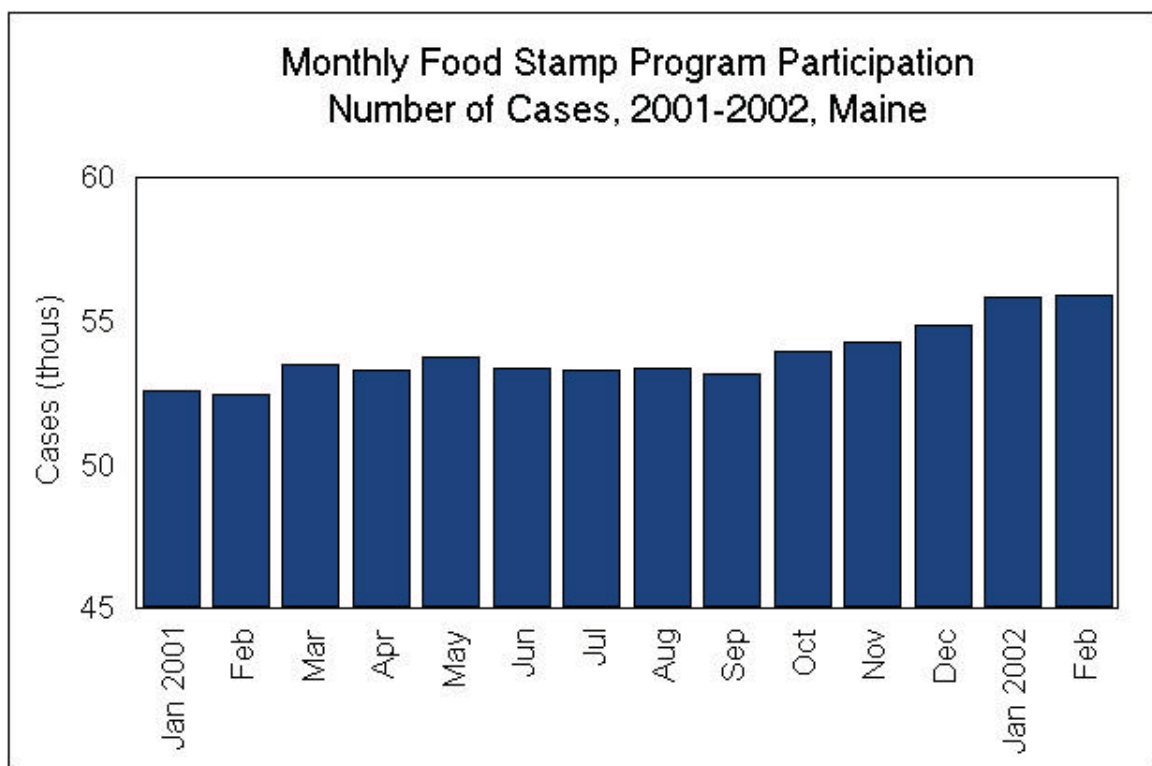
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# 2001 Annual

## Report Card on Poverty in Maine



April 2002  
Maine State Planning Office

## Resolves

### CHAPTER 36

#### H.P. 270 - L.D. 334

Resolve, to Implement the Recommendations of the Commission to Study Poverty Among Working Parents with Regard to an Annual Report Card on Poverty

**Sec. 1. Report on poverty. Resolved:** That the State Planning Office shall report annually to the Legislature, beginning on January 1, 1998, on the subject of poverty in this State. The report must include information on poverty among children and adults, regional differences in poverty rates and indicators, conditions responsible for changes from the prior year, expectations for the coming year and the economic condition of the State's communities.

Effective September 19, 1997, unless otherwise indicated.

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### Federal Poverty Guideline

Family Size	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002
1	4,210	5,250	6,280	7,470	7,740	7,890	8,050	8,240	8,350	8,590	8860
2	5,590	7,050	8,420	10,030	10,360	10,610	10,850	11,060	11,250	11,610	11940
3	6,970	8,850	10,560	12,590	12,980	13,330	13,650	13,880	14,150	14,630	15020
4	8,350	10,650	12,700	15,150	15,600	16,050	16,450	16,700	17,050	17,650	18100
5	9,730	12,450	14,840	17,710	18,220	18,770	19,250	19,520	19,950	20,670	21180
6	11,110	14,250	16,980	20,270	20,840	21,490	22,050	22,340	22,850	23,690	24260
7	12,280	16,050	19,120	22,830	23,460	24,210	24,850	25,160	25,750	26,710	27340
8								27,980	28,650	29,730	20420
For each additional member:											
Add:	1,170	1,800	2,140	2,560	2,620	2,720	2,800	2,820	2,900	3,020	3080
SOURCE: Federal Register											

For more information:

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For this report and past reports: [www.state.me.us/spo/](http://www.state.me.us/spo/) click on Economic & Demographic

## ***I. Summary, Data Highlights & Trends***

One person in ten living in Maine lives on an income that is below the poverty line. This amounts to an estimated 130,000 people. In addition, Maine has historically had a large portion of “near poor” whose income is insufficient to meet basic needs. Though data on the near poor has been unavailable since the 1990 census, indicators such as average annual pay growth, the state’s job mix, the persistence of food insecurity measured by the USDA and the level of food stamp program participation suggest that a significant portion of the State’s population remains at the brink of poverty.

In spite of strong overall indicators of economic strength in the Maine economy over the past several years, poverty remained a stubborn and persistent fact in Maine. Those with the least appear to be helped little by what appeared to be a healthy economy.

Many of the most recent indicators tracked in the Report Card are showing a reversal of the trend toward improvement that had been seen through the latter half of the 1990s. Some of the most important include:

### Key Poverty Indicators:

- The number of homelessness using shelters increased by 2250 in 2001. Shelter occupancy increased by over 22,800 bed nights.
- The number of food stamp cases is rising. By December 2001 there were 3000 more cases than in December 2000. The annual average participation in 2001 was 10.3% higher than in 2000.
- The social security benefits received by Maine’s retired population continue to lag significantly behind the national average, and stood at 91.8% of the average benefit nation wide in 2000.
- The portion of individual income that is derived from transfer payments (pensions, public assistance programs, medical assistance-Medicare and Medicaid, for example) held at 16.7% in 2000 while the rate has declined each year since 1995 nationally and stood at 12.9% in 2000. This amounts to an average of \$4,233 per person in Maine compared to \$3,792 per person nationwide.

### Key Economic Indicators:

- The annual average unemployment rate increased from 3.5% to 4.0%, an increase of almost 5000 unemployed between 2000 and 2001.
- The number of multiple job holders increased from 8.0% in 1999 to 8.6% in 2000. Nationally, only 5.6% of the workforce holds multiple jobs.

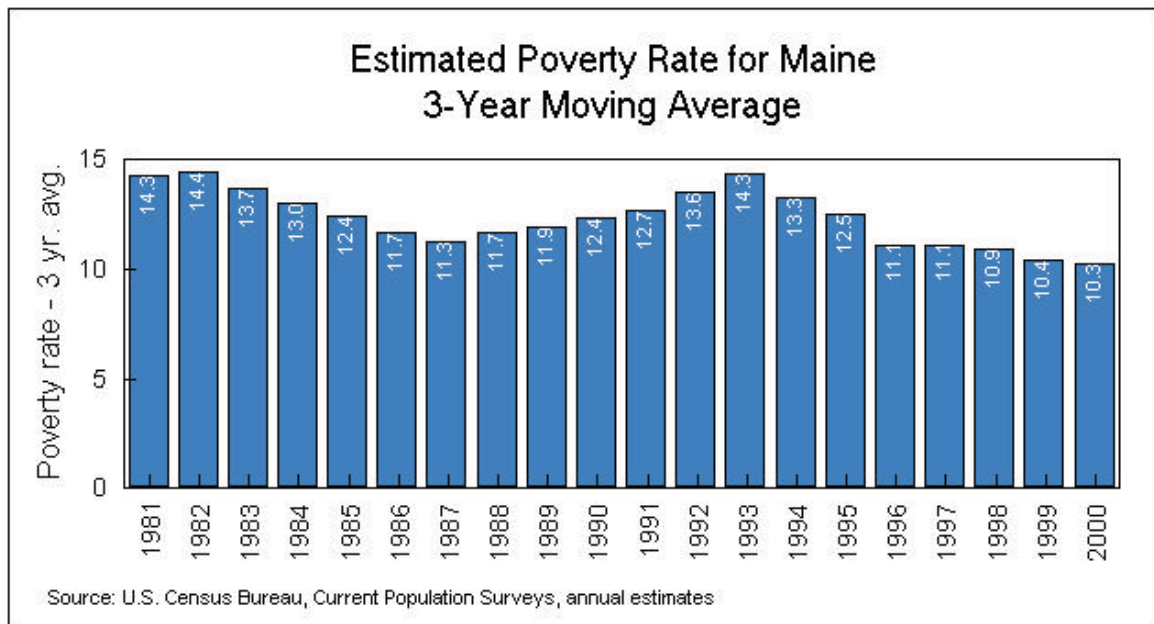
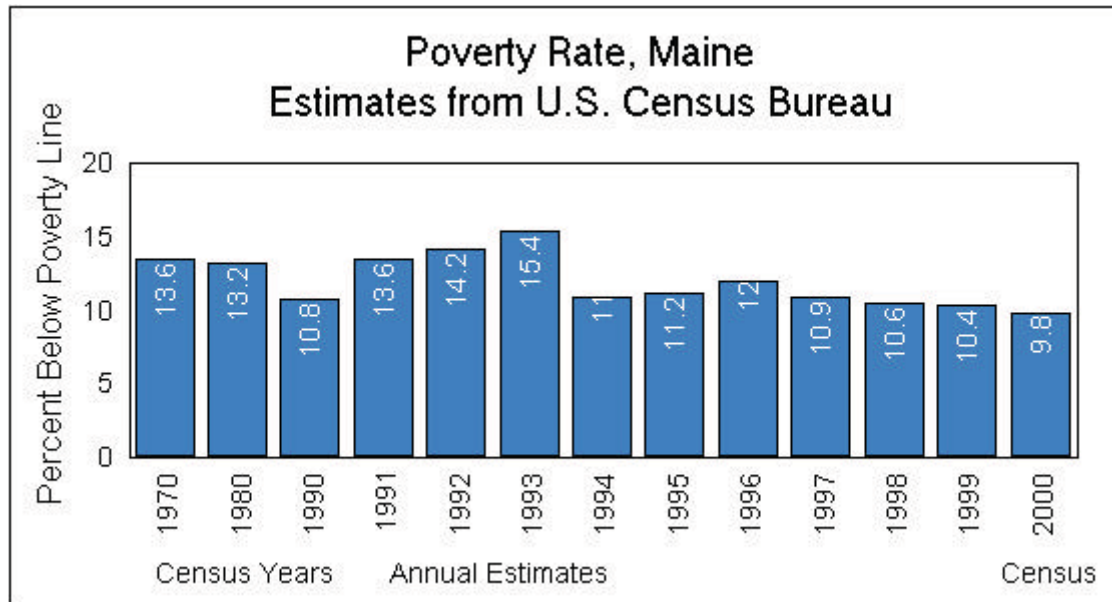
- Over 10,000 workers lost their jobs due to mass layoffs (involving 50 or more workers) last year. The number laid off was much higher due to a downturn in tech companies early in 2001 that led to the closure or down sizing of many small Internet-connected firms in Maine, most too small to be counted in mass layoff statistics collected by the USDOL. Already this year, several thousand have been laid off or are scheduled to be laid off in the coming months.
- Even though the average annual pay increased by almost \$800 between 1999 and 2000, the average pay in Maine dropped to a new low at only 78% of the national average.
- In 1989 Maine's per capita income was 91% that of the nation. In 2000, it was only 86% of the national average.

**Key Indicators that are holding steady or showing improvement:**

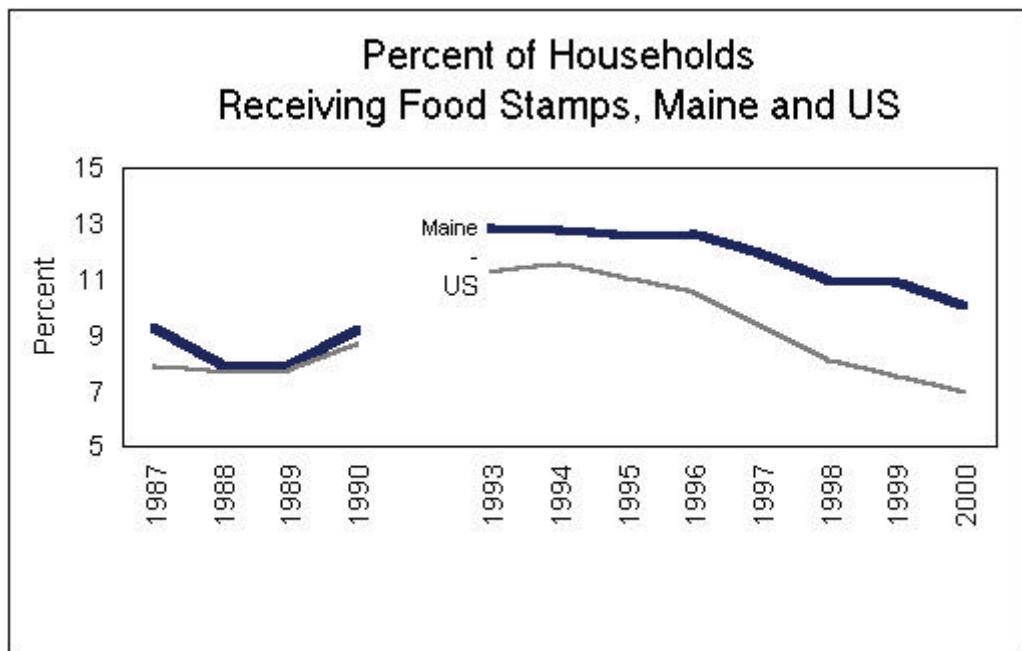
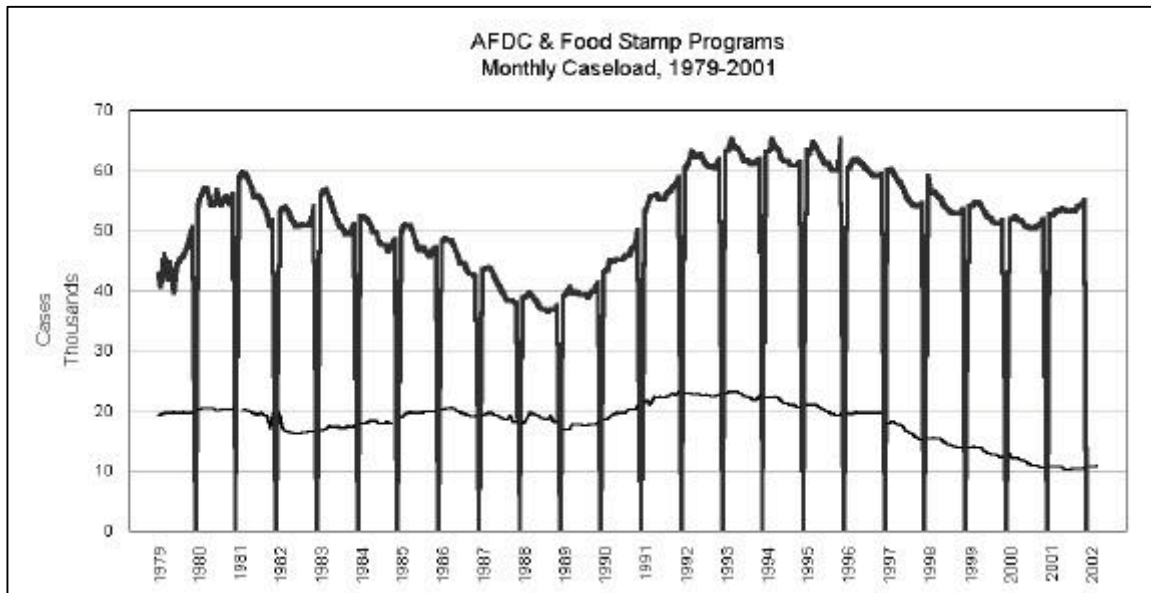
- The percent of the population in Maine with health insurance has remained above the national average.
- The number of children without health insurance is lower than the national average and the percent has declined throughout most of the past decade.
- The percent of elderly citizens in Maine with income below the poverty line is estimated to have dropped to 16,000 in 2000 according to a survey conducted by the Census Bureau.

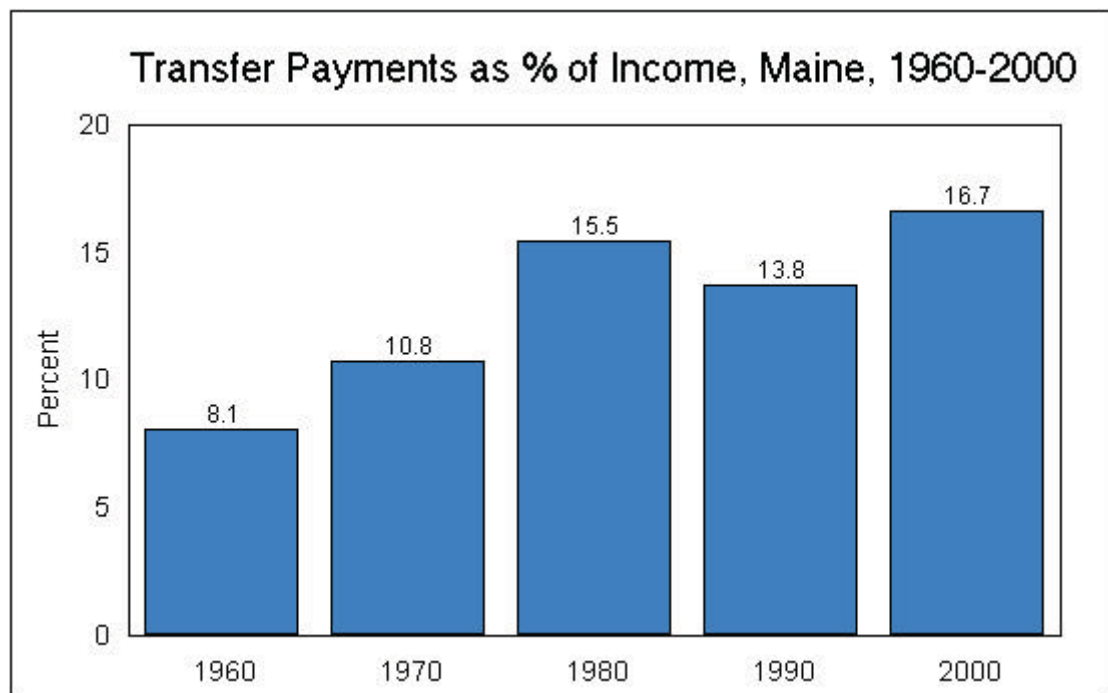
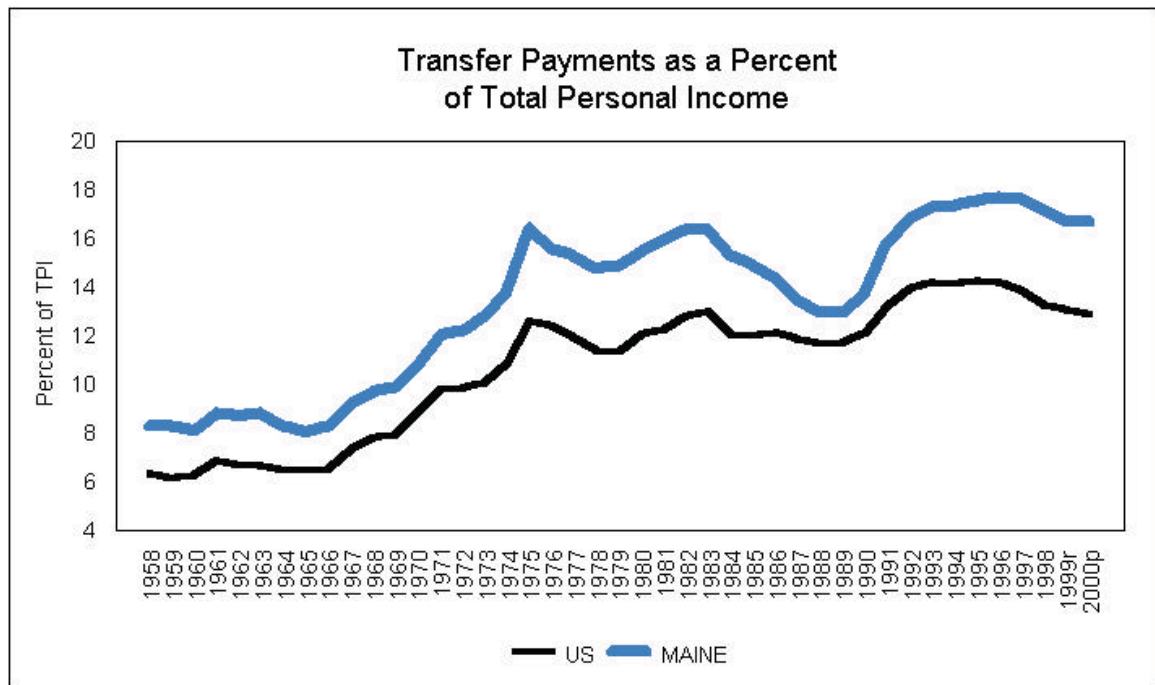
## II. Measures of the Extent of Poverty

### 1. Estimates of Poverty



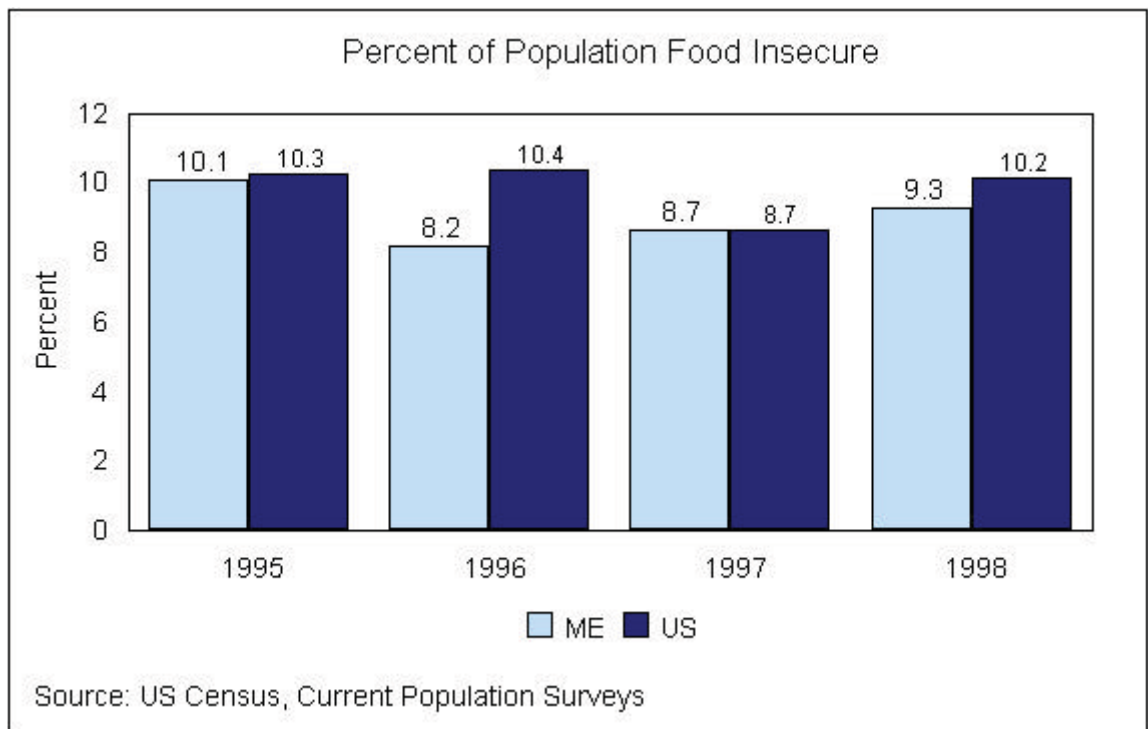
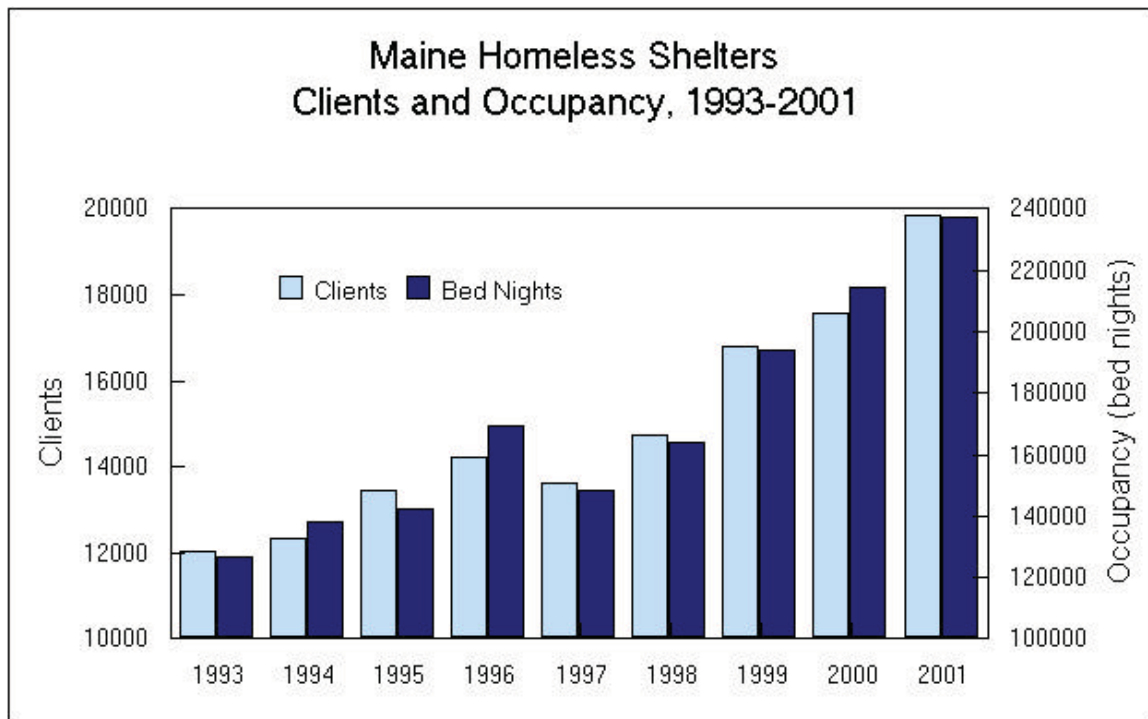
## 2. Indicators of Need

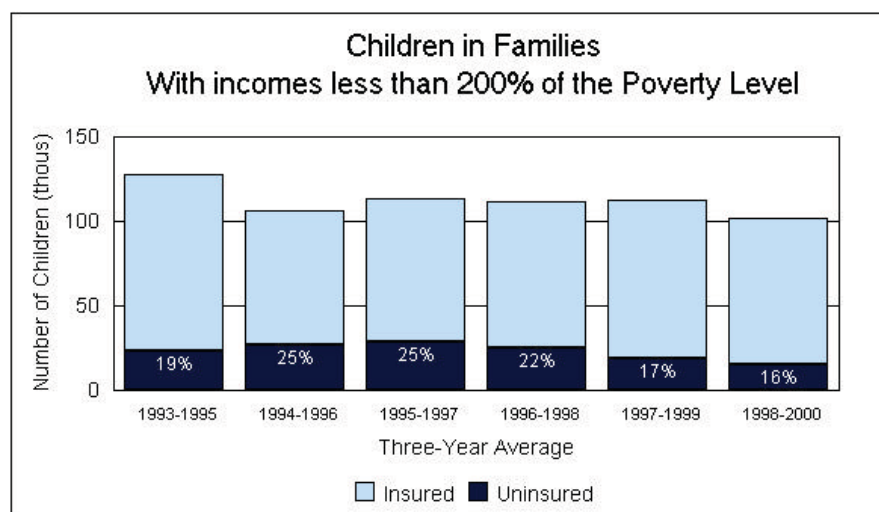
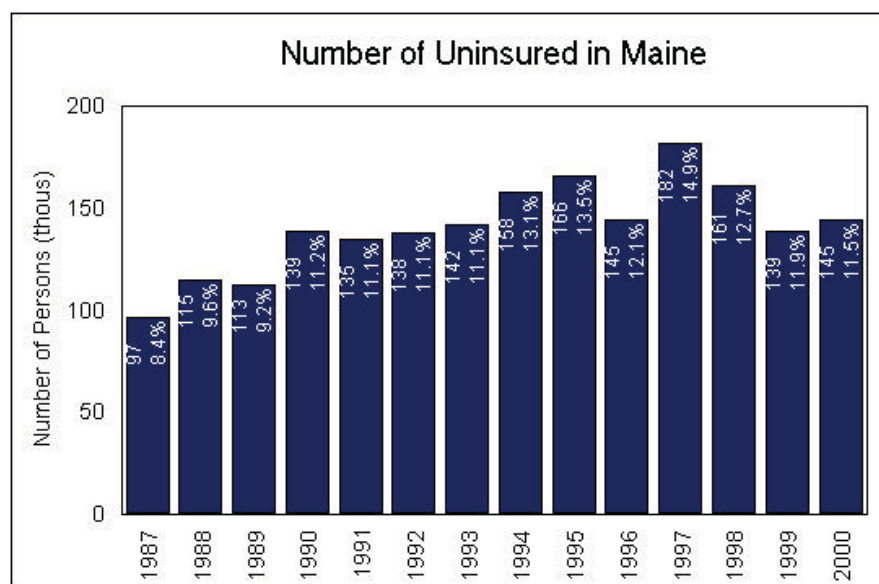
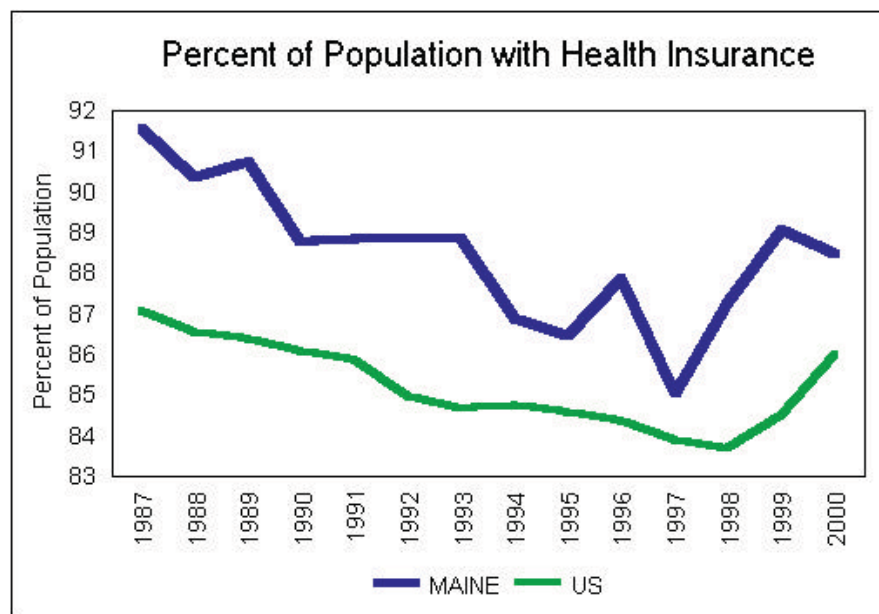




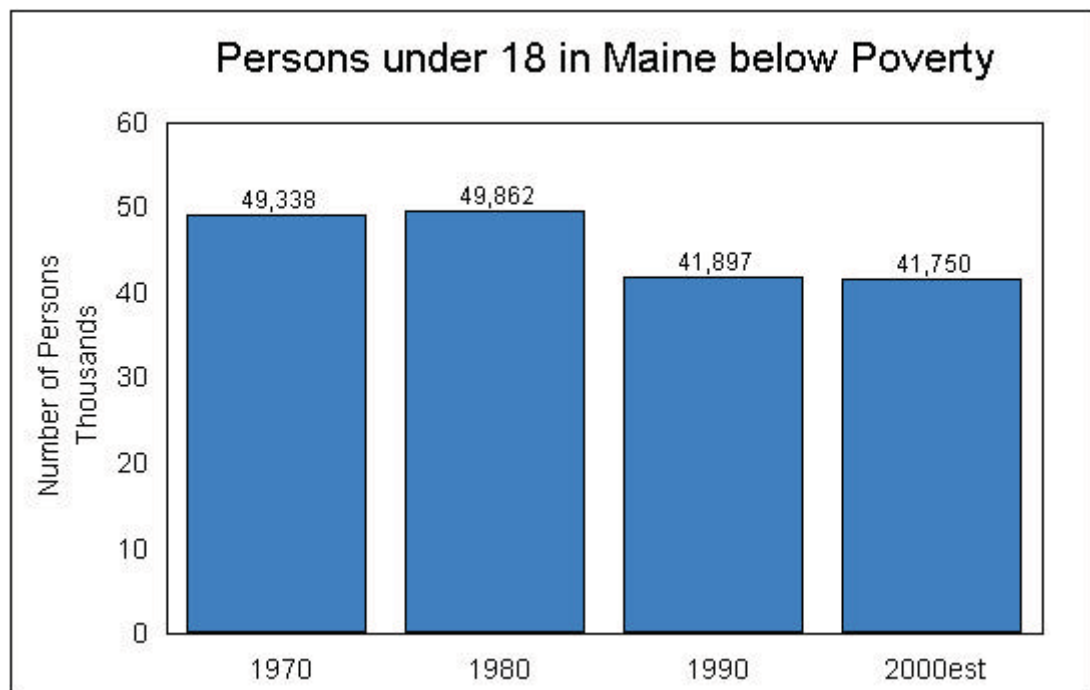
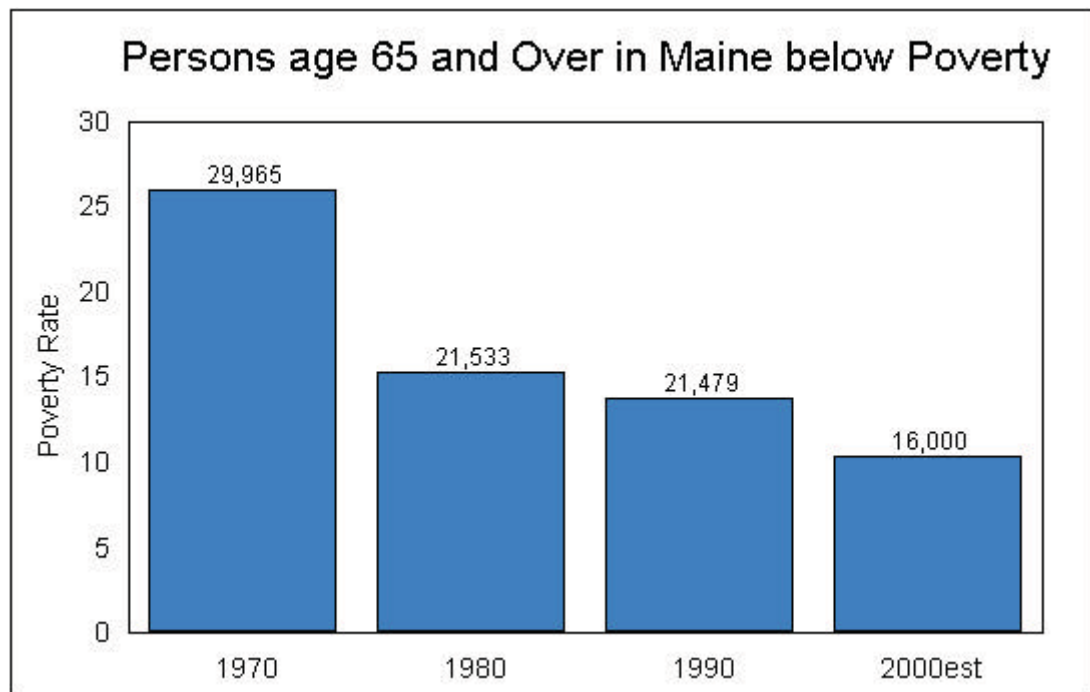


3. Service Program Recipient Levels



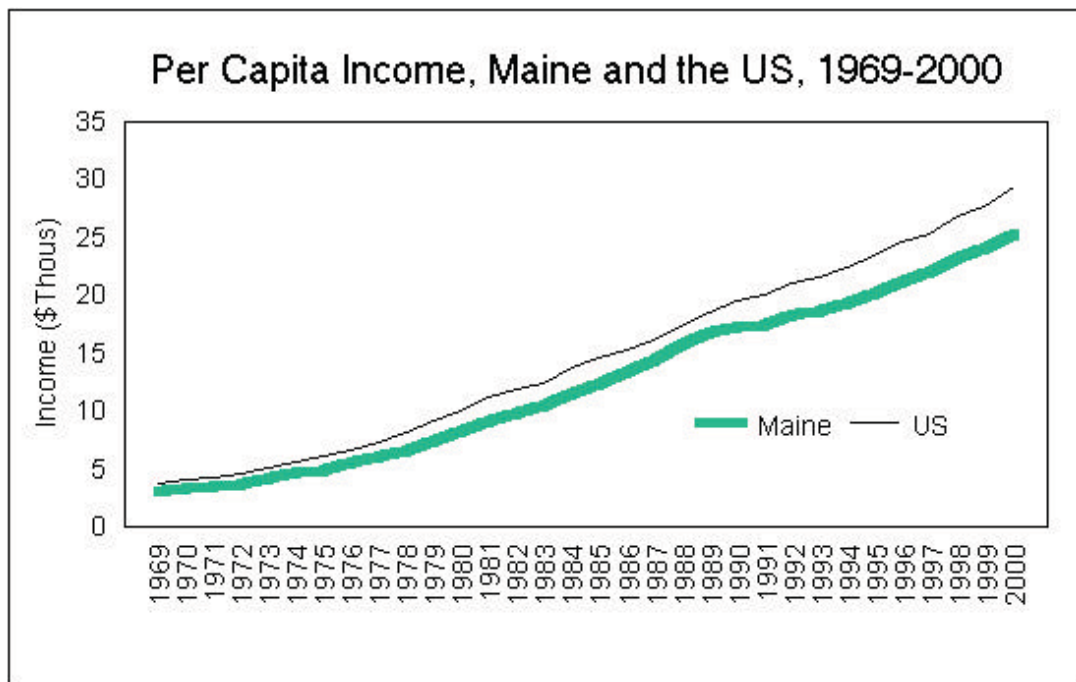
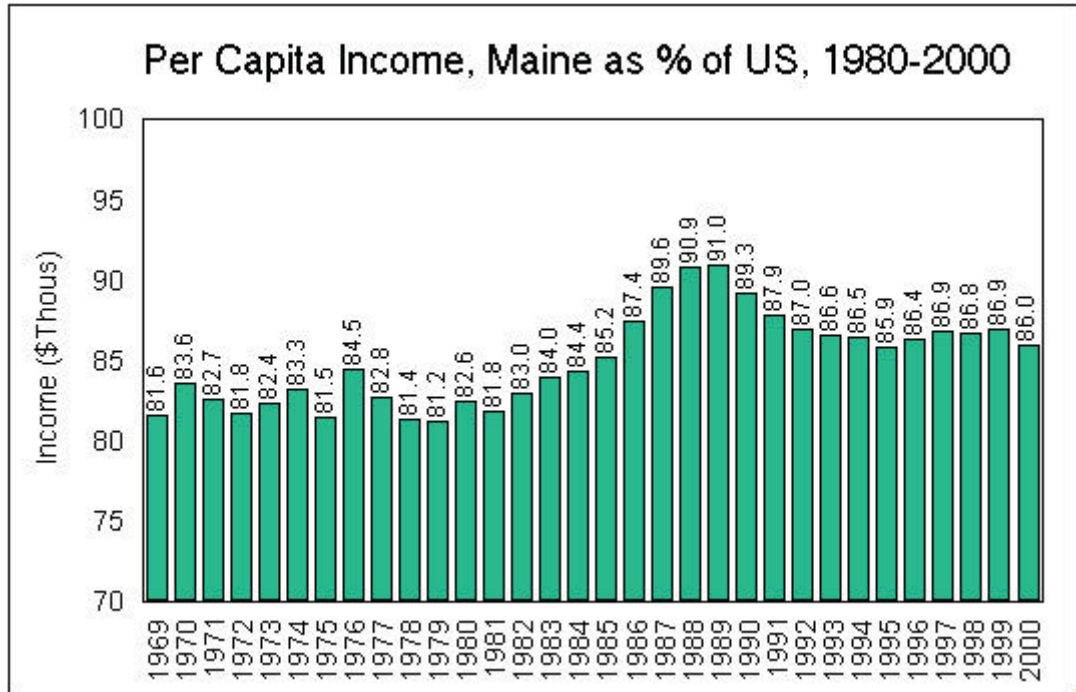


#### 4. Special Populations and Poverty

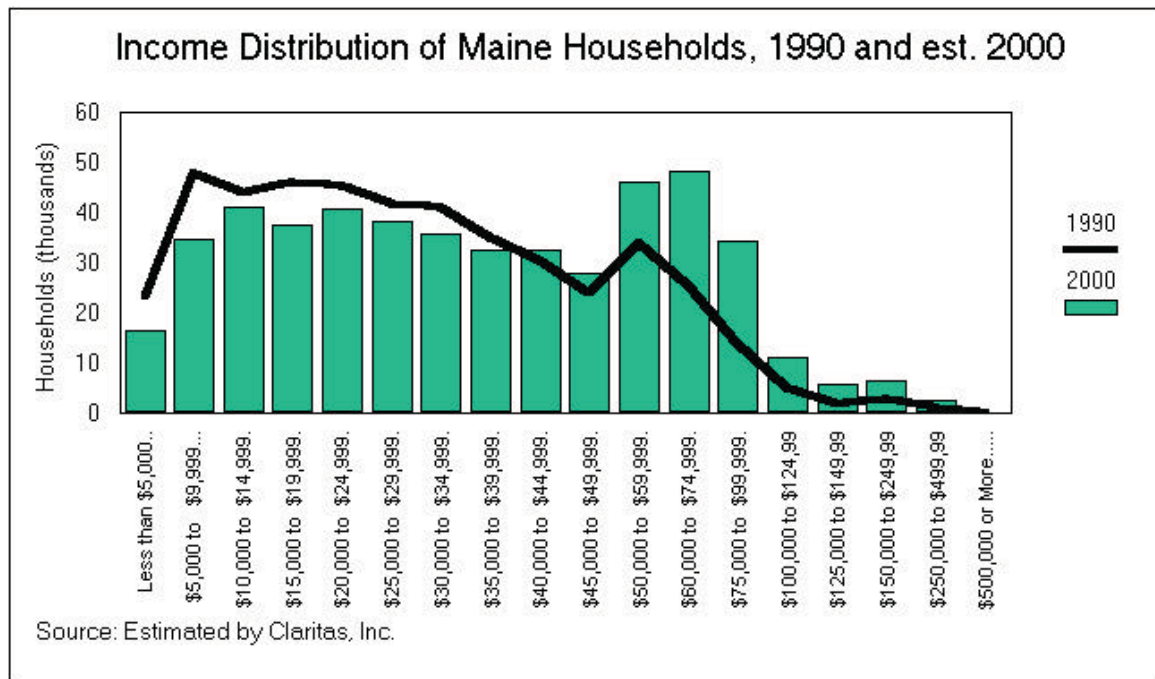
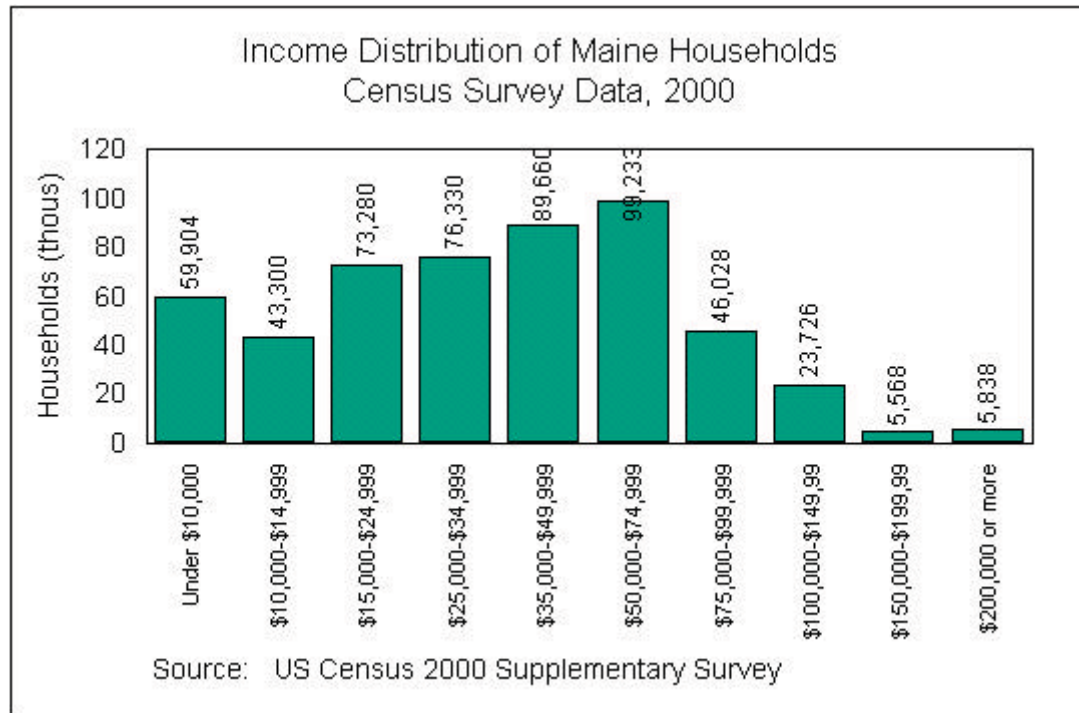


### III. Conditions Contributing to Poverty

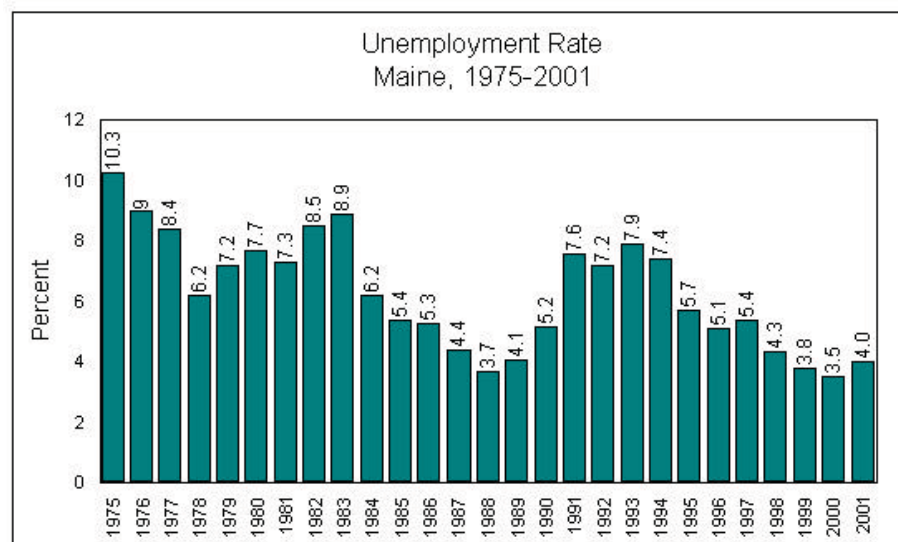
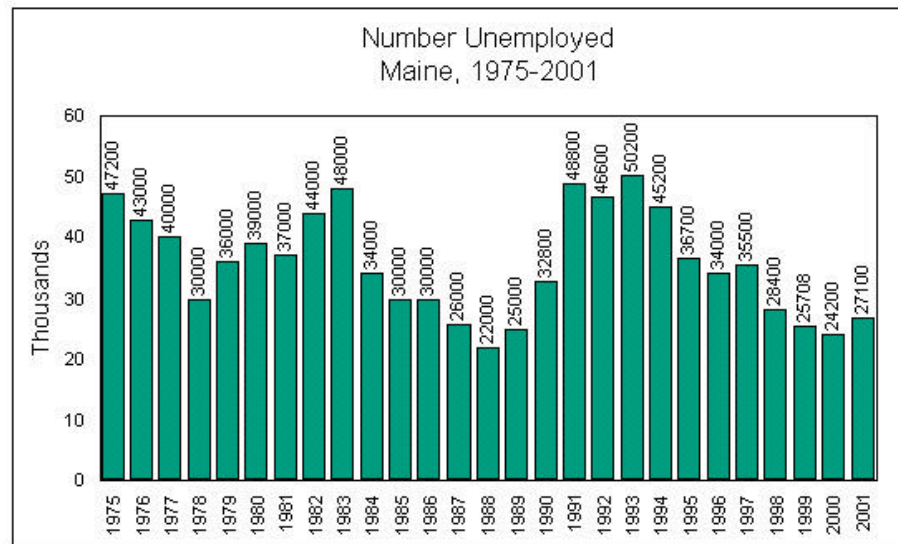
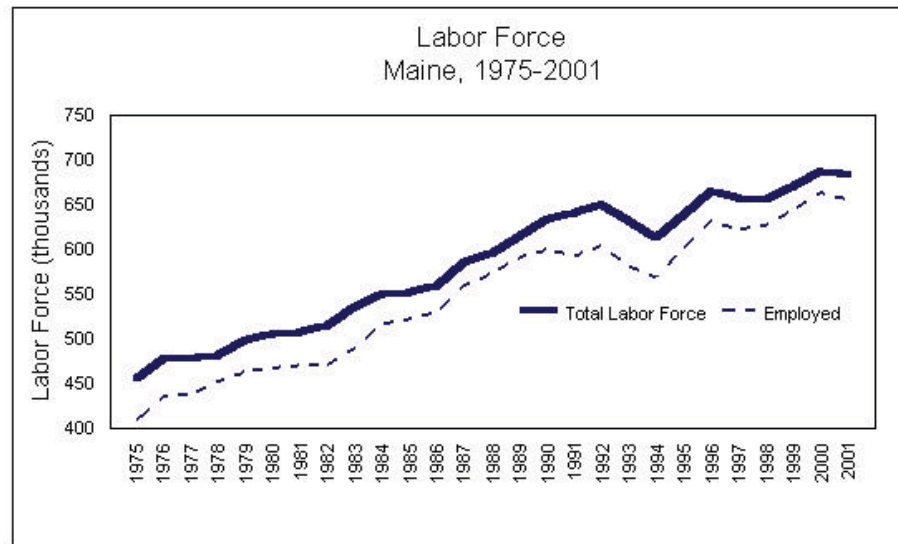
#### 1. Income Distribution and Disparity



NOTE: There is no new information on income distribution until the release of the data from the “long form” by the US Census Bureau. The following graph is from a survey conducted by the Census Bureau in 2000. The sample size was very small and the reliability of the data not certain. At this time it is believed to illustrate the general trend in income distribution but the actual numbers of households in each category will likely change when the final Census figures are released.

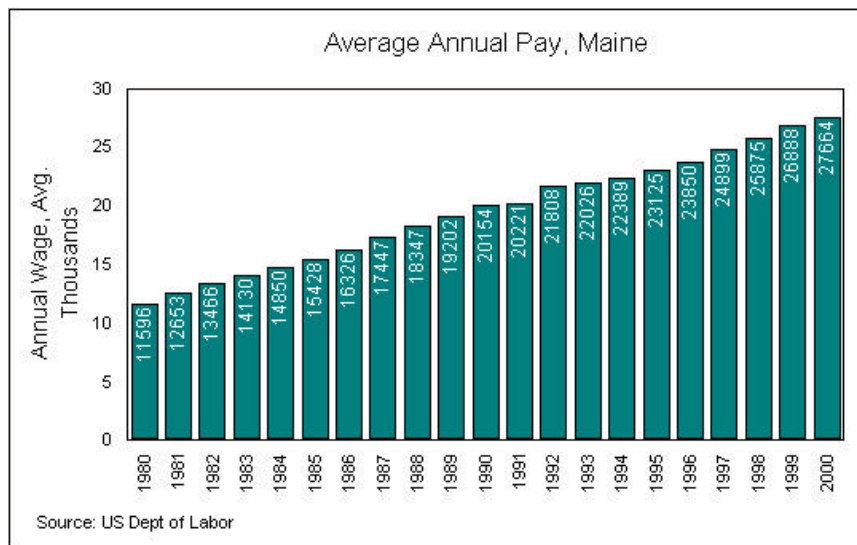
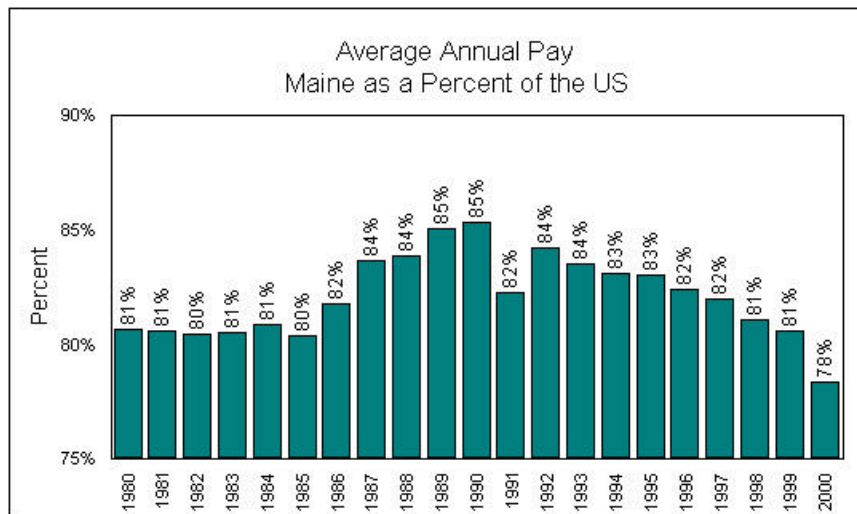
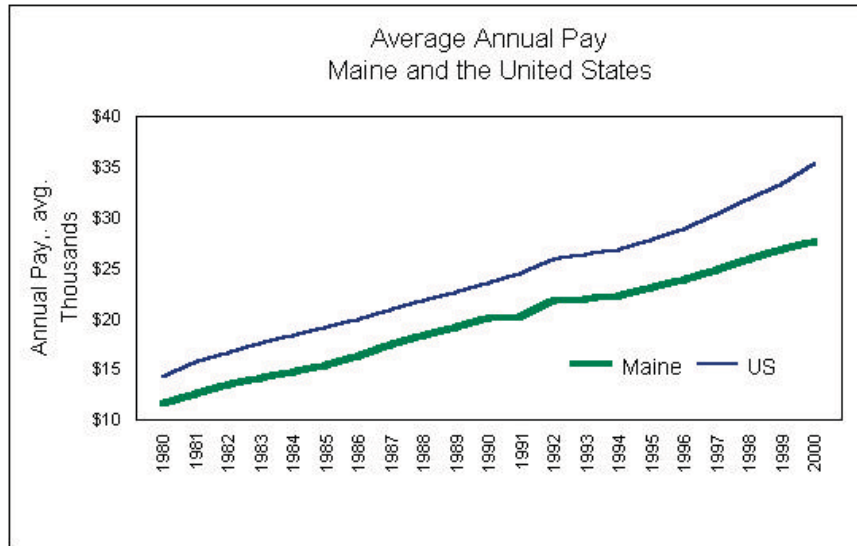


## 2. Employment & Unemployment

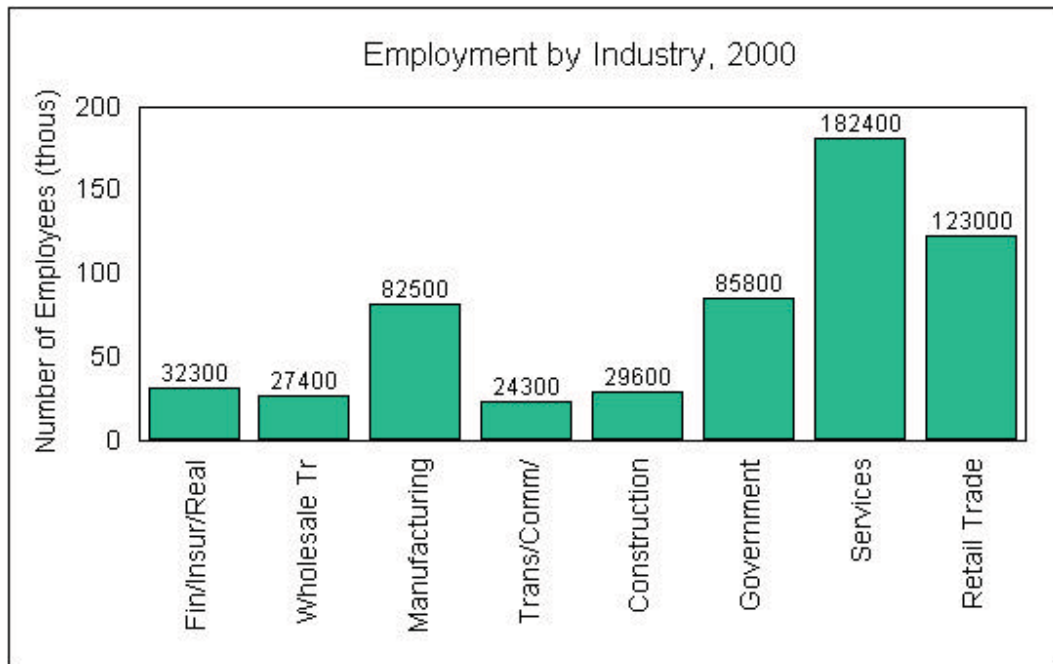
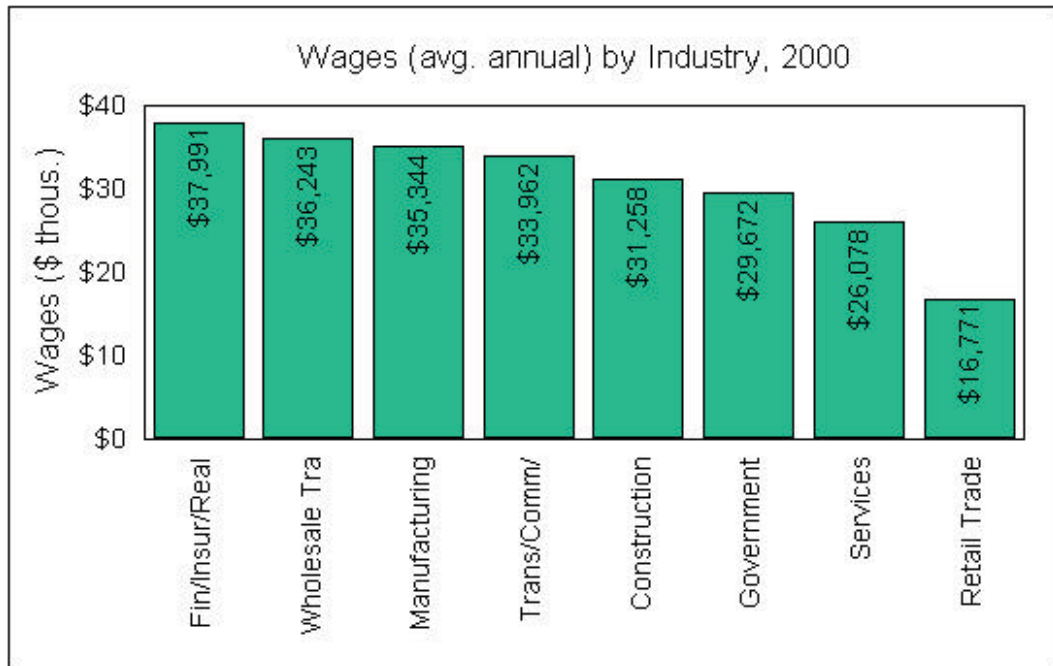




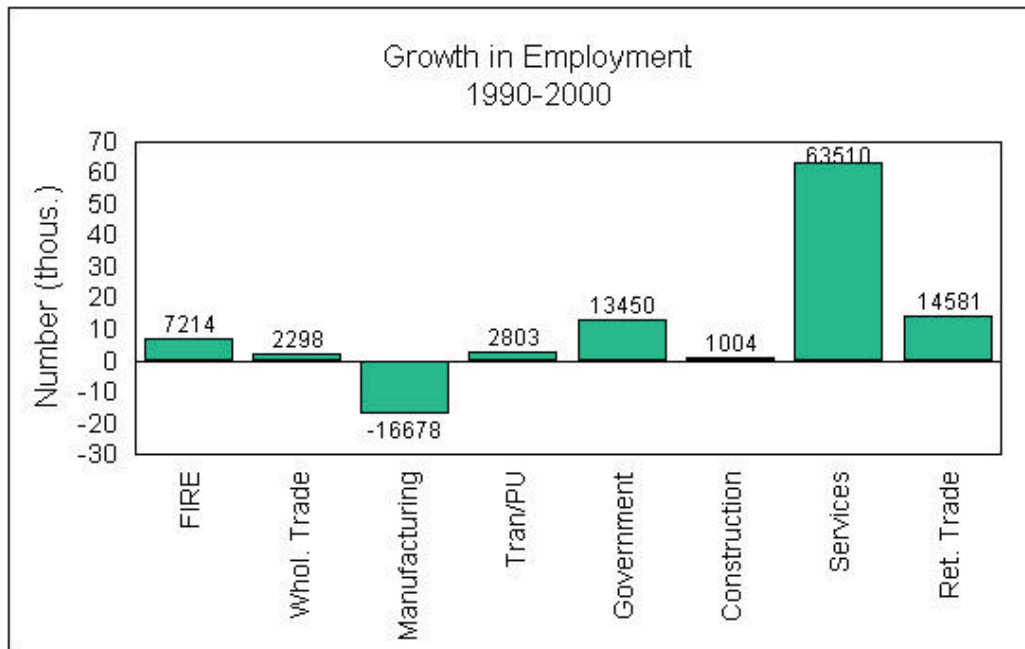
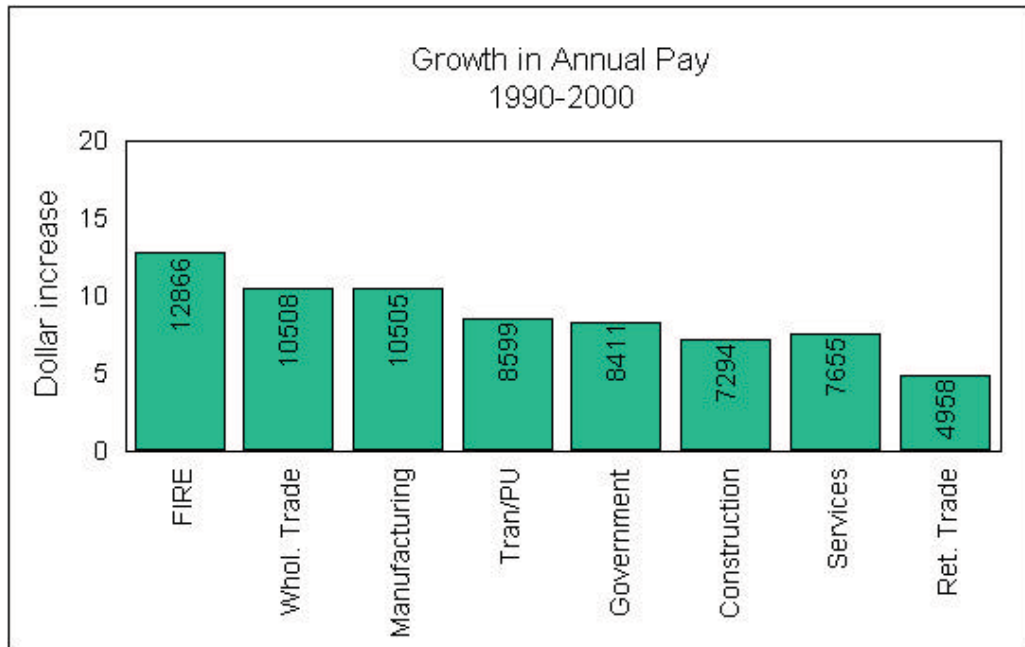
### 3. Earnings



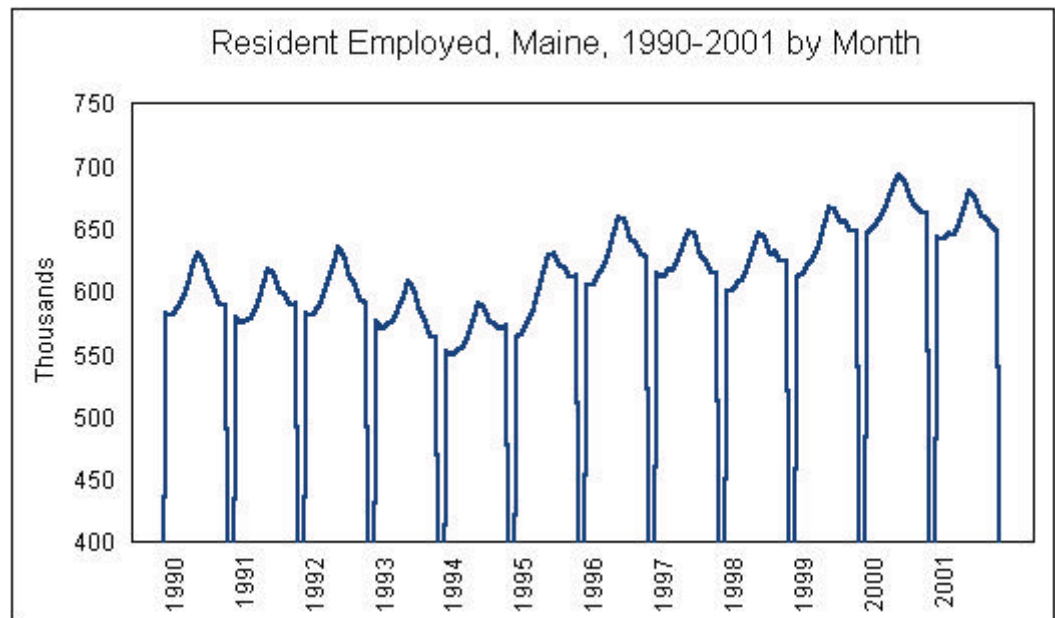
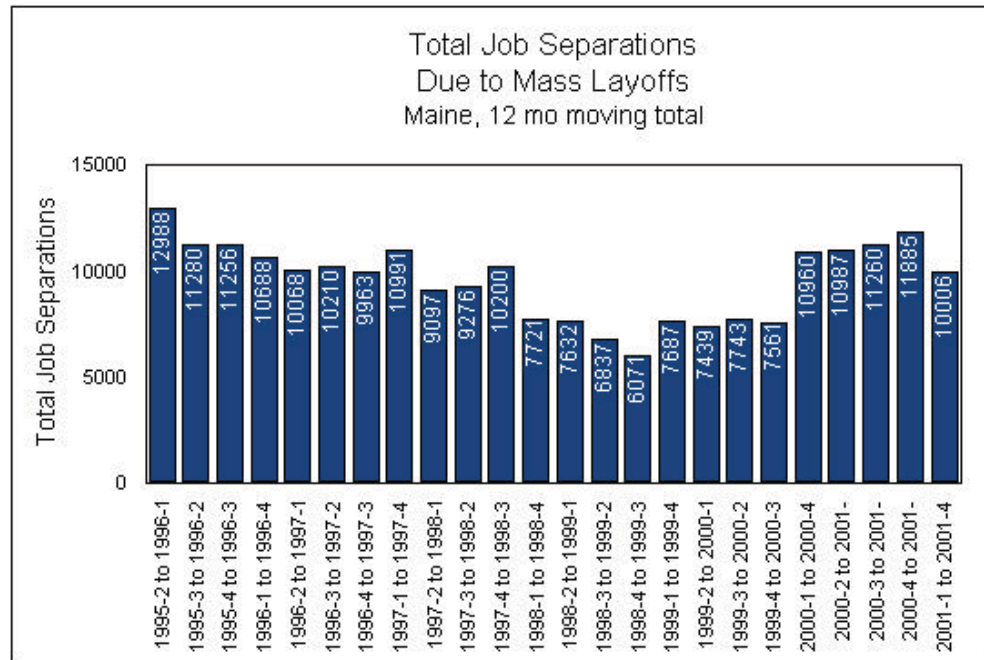
#### 4. Relationship of Economic Structure and Earnings

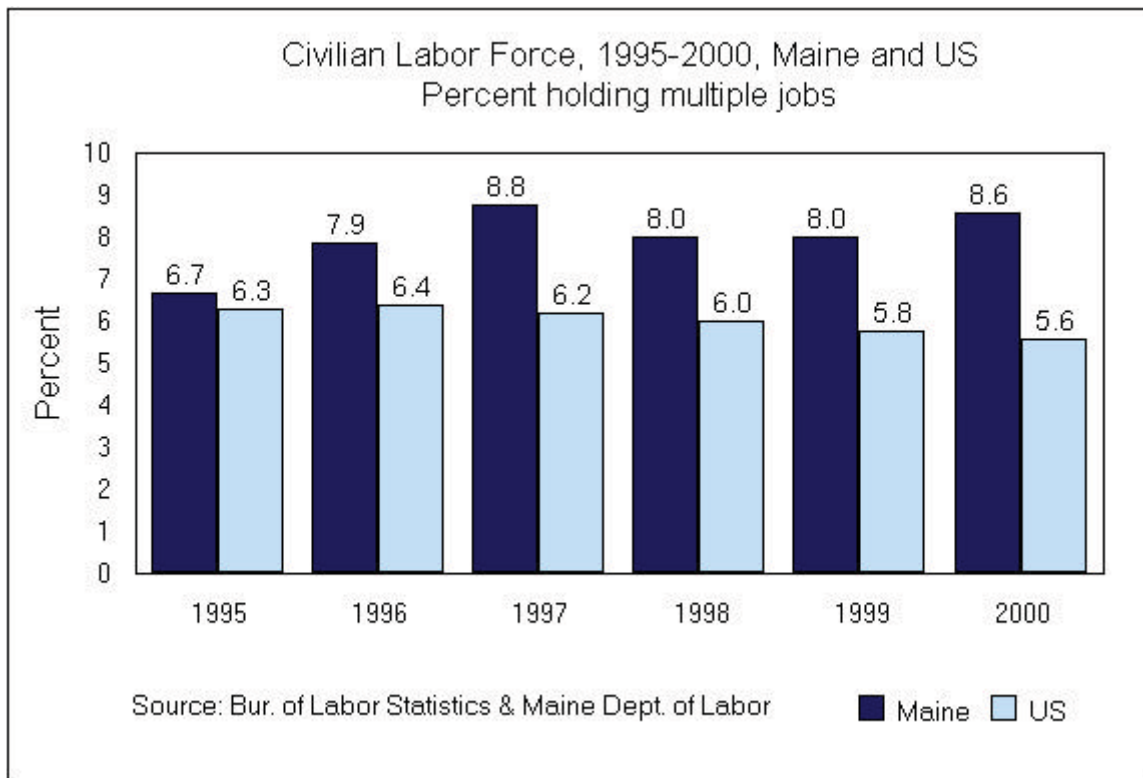




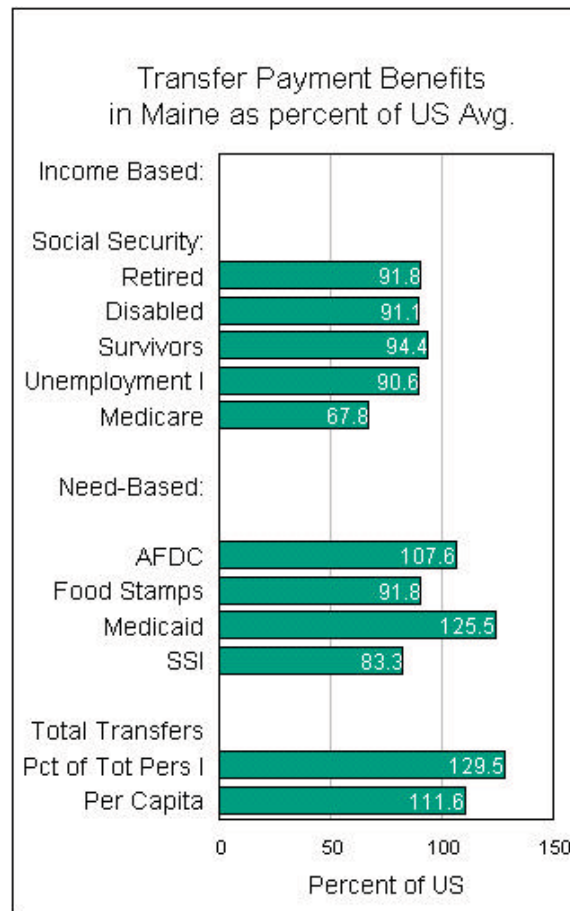
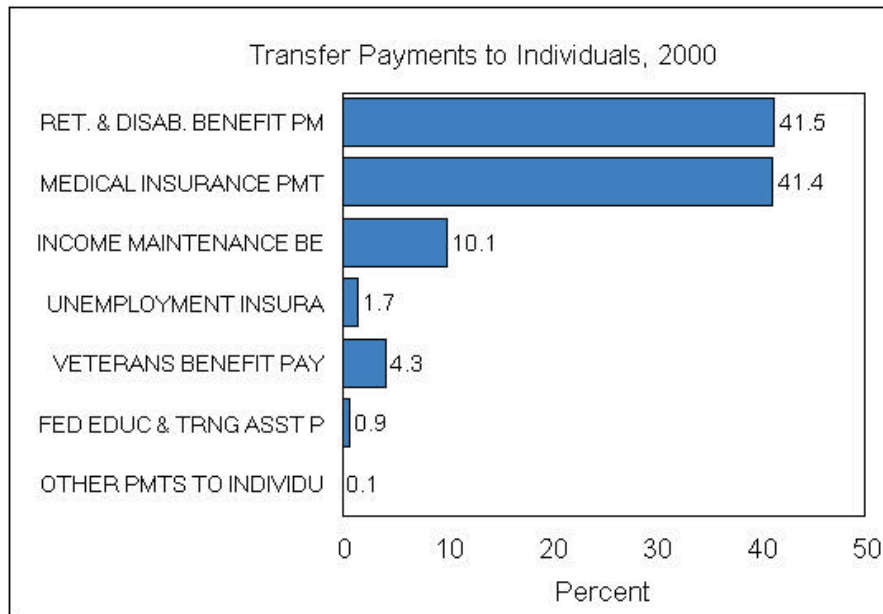


## 5. Employment Situation





#### IV. Adequacy of Transfer Payments



### Income Transfer Programs - Avg. Monthly Benefit

	Maine	US	Me:US Ratio*	Change** from last yr
<u>Income Based Benefits:</u>				
Social Security Programs (2000)				
Retired	\$776	\$845	91.8	-0.4
Disabled	\$717	\$787	91.1	-0.3
Survivors	\$765	\$810	94.4	0.2
Unemployment Ins.(1999)	\$192	\$212	90.6	15.2
Medicare, avg. annual (2000)	\$3,723	\$5,489	67.8	9.8
<u>Need-Based Benefits:</u>				
<i>AFDC/TANF (1999)***</i>	<i>\$467</i>	<i>\$434</i>	<i>107.6</i>	<i>N/</i>
Food Stamps (2000)	\$67	\$73	91.8	-2.4
<i>Medicaid (1998)</i>	<i>\$4,394</i>	<i>\$3,501</i>	<i>125.5</i>	<i>17.9</i>
SSI(1999)	\$319	\$383	83.3	-0.9
Total Transfer Payments:				
Pct of Tot Pers Inc. (2000p)	16.7	12.9	129.5	-2.0
Per Capita (2000p)	4,233	3,792	111.6	-1.2

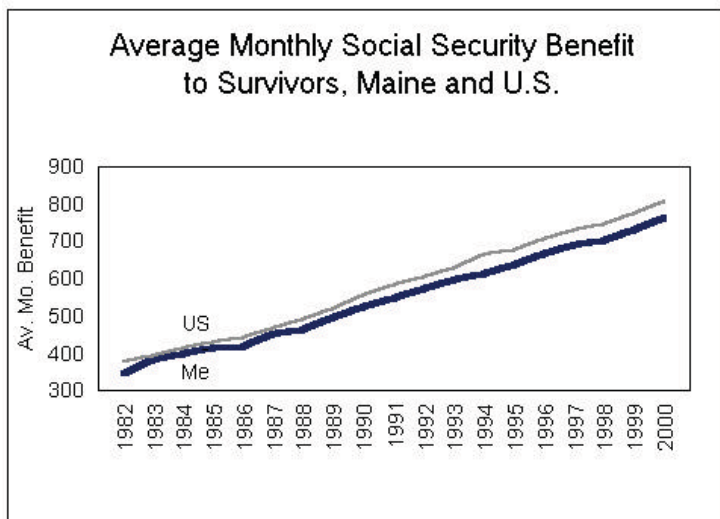
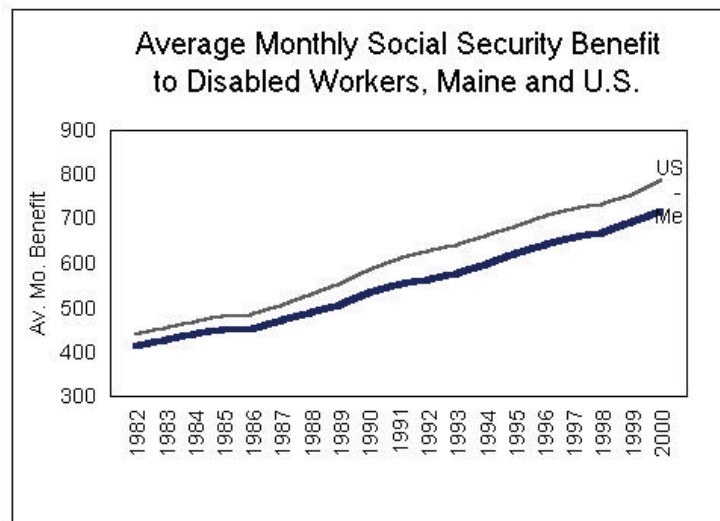
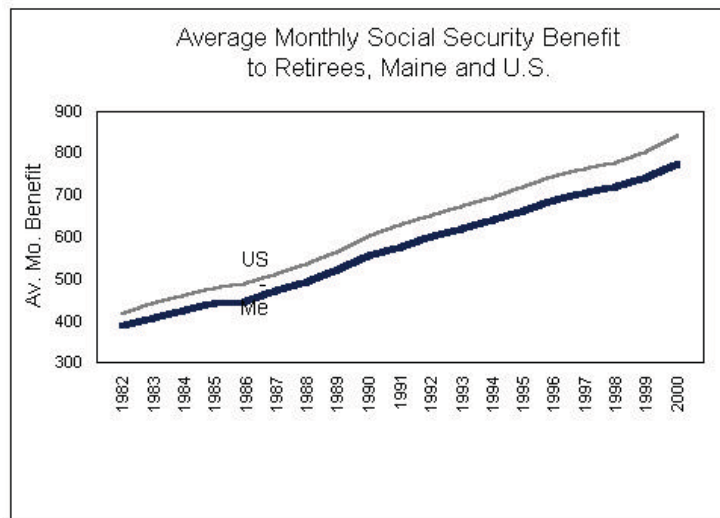
\*If over 100, Maine's benefits are higher than the national average.

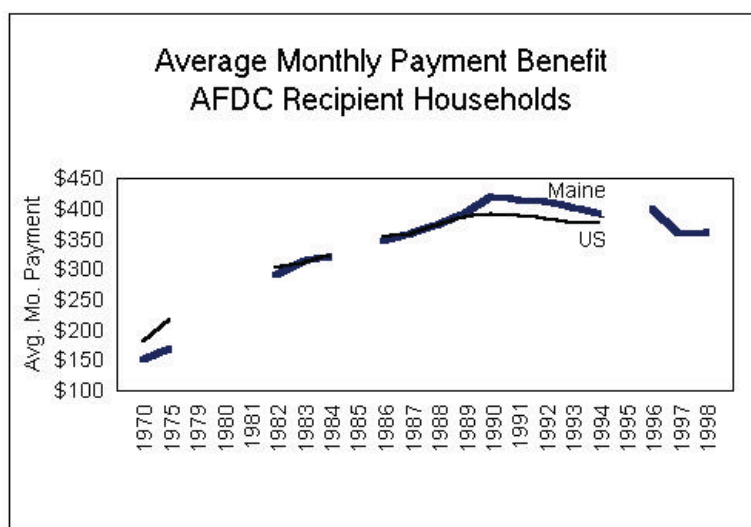
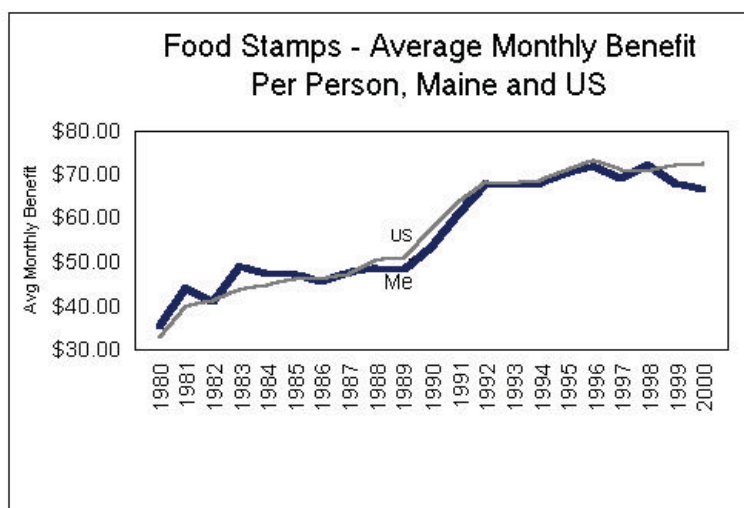
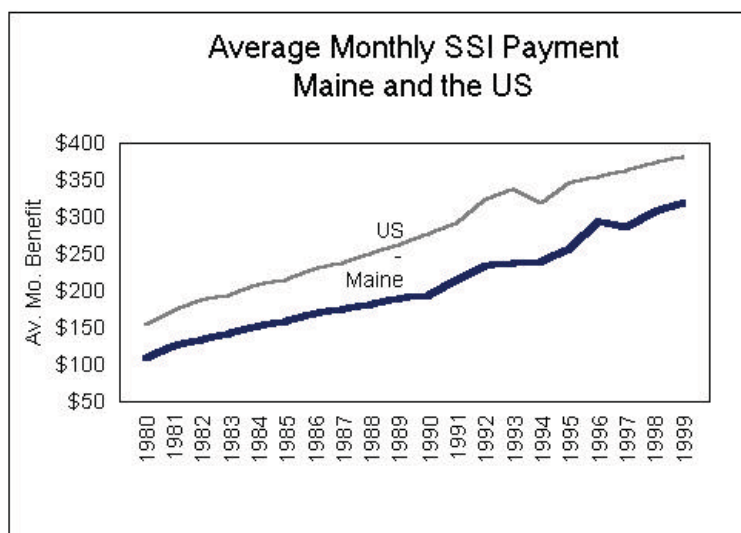
\*\* If positive, Maine has gained and if negative, Maine benefits have dropped compared to the nation.

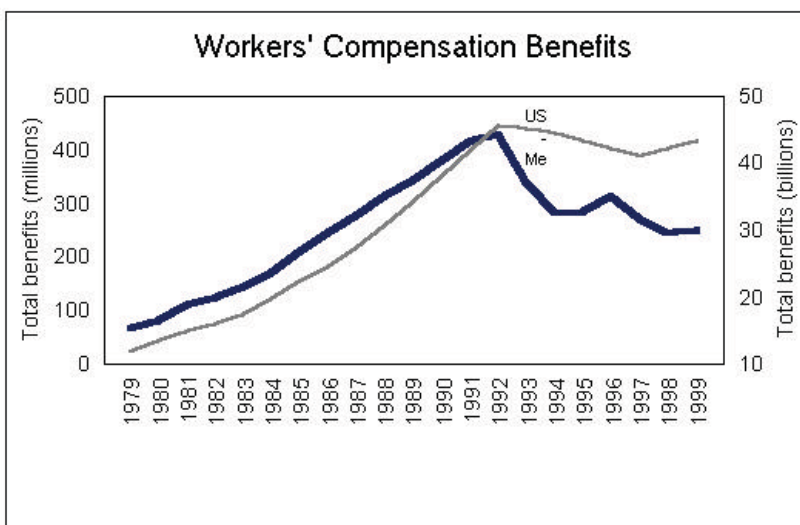
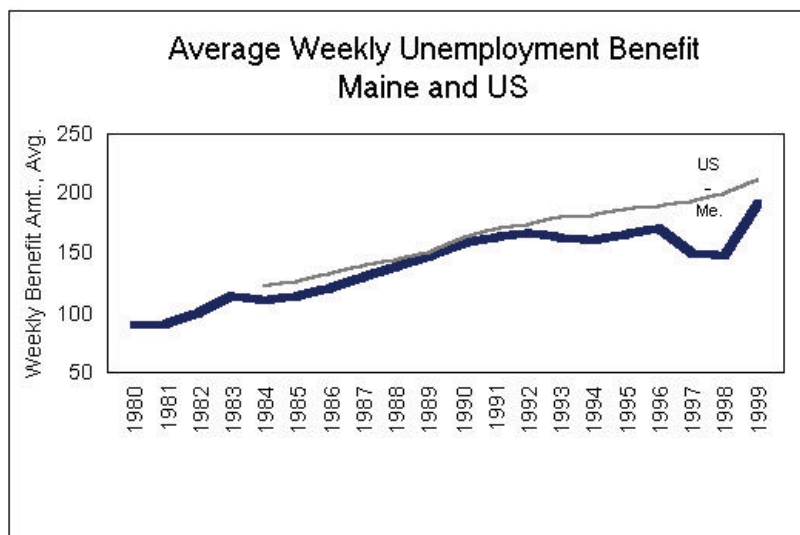
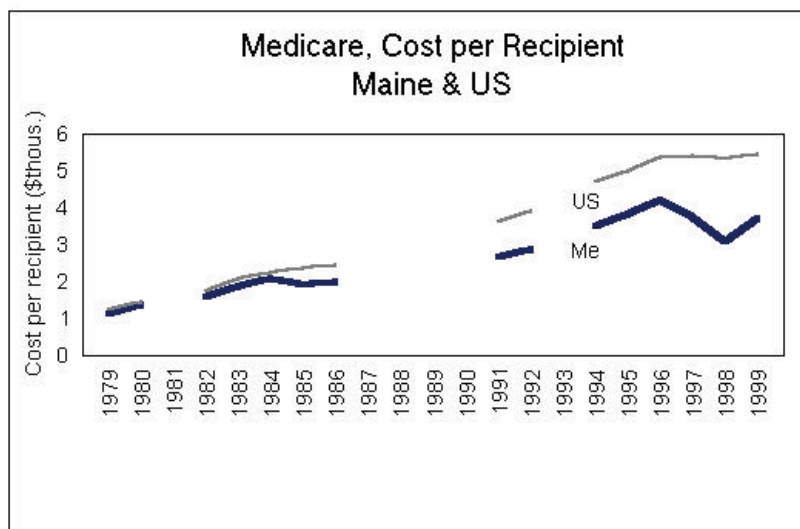
\*\*\* TANF cash and work based assistance.

Note: Programs in italics - no new data was available.

## A. Comparison of Benefits (Maine and the US)

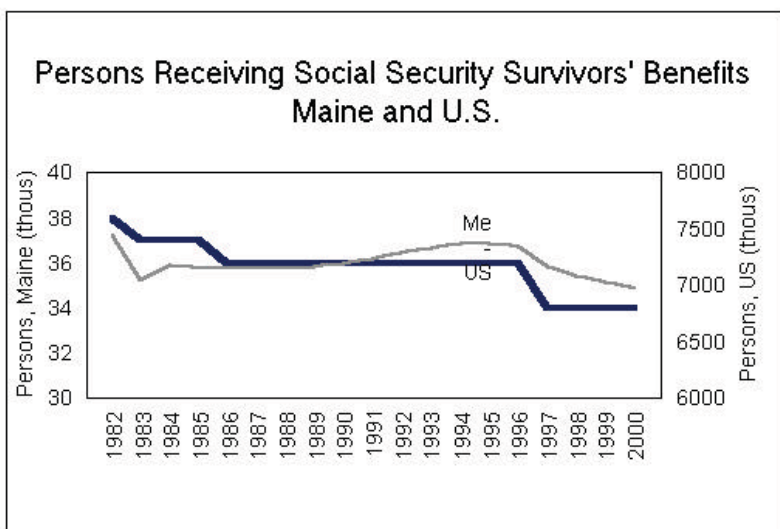
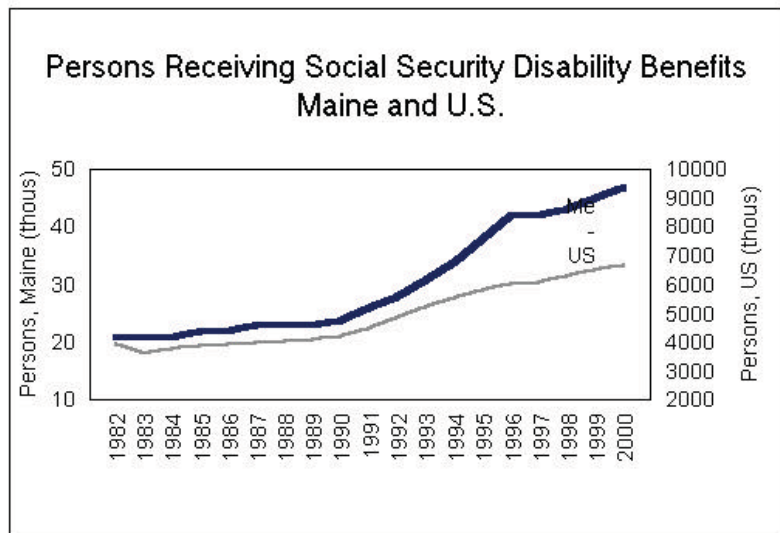
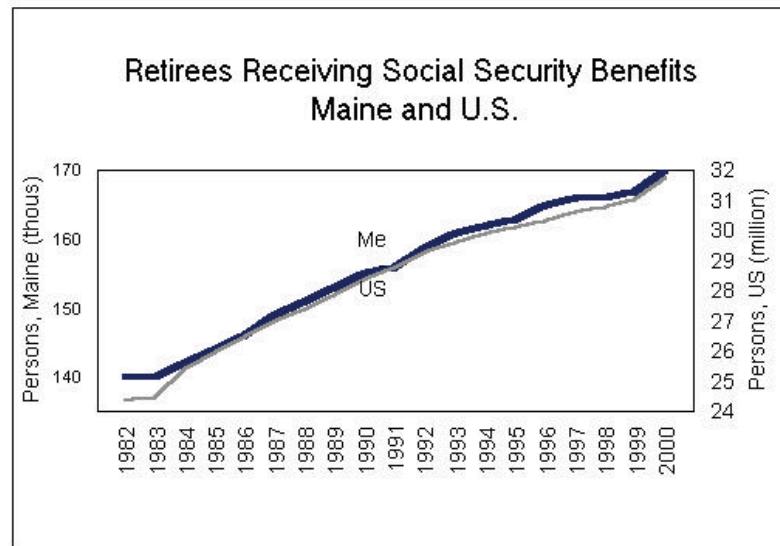




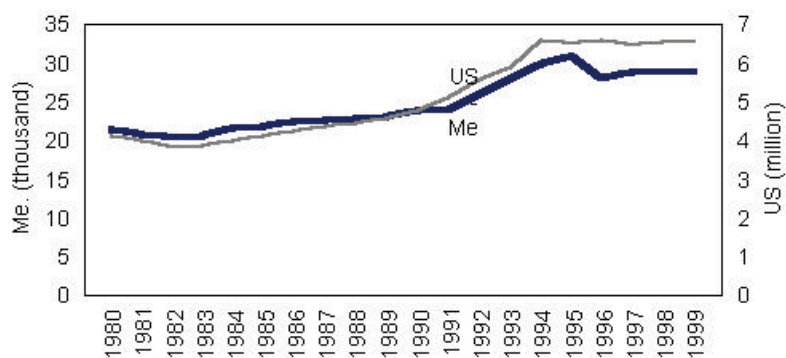




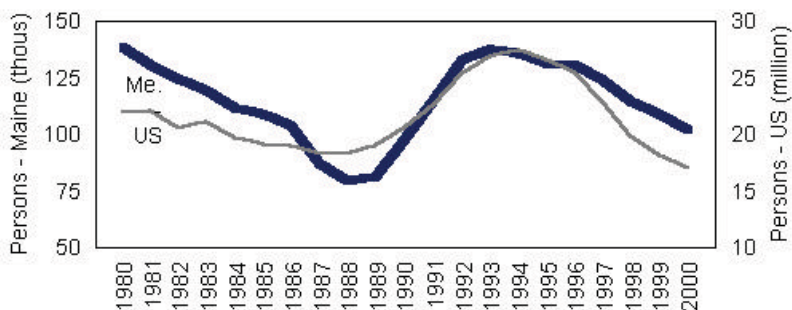
## B. Participation Trends



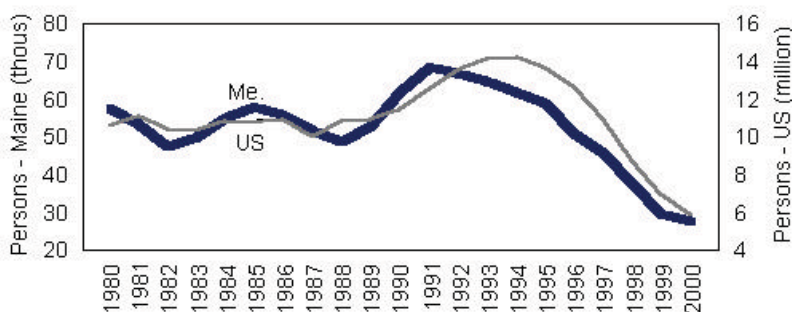
### SSI Recipients, Maine and U.S.



### Persons Receiving Food Stamps Maine and the U.S.



### Persons Receiving TANF(AFDC) Maine and the U.S.



## *V. Regional Disparities*

**Notes Concerning interpretation and availability of data to measure regional disparities:**

**The gap between the best off and worst off counties in Maine varies with the measures used.** For example, though employment in Waldo County increased by 50% over the decade, a phenomenal rate for a county that has historically shown little job growth, the actual number of added jobs was substantially less than in larger counties where the growth represented a smaller percent increase.

**There is no new data on the following items:**

Population: The last report card contained population data from the 2000 census. There are no new population statistics for Maine counties. County estimates usually become available in the spring.

Income: Median and Per capita income estimates for 2000 were included in the 2000 report card.

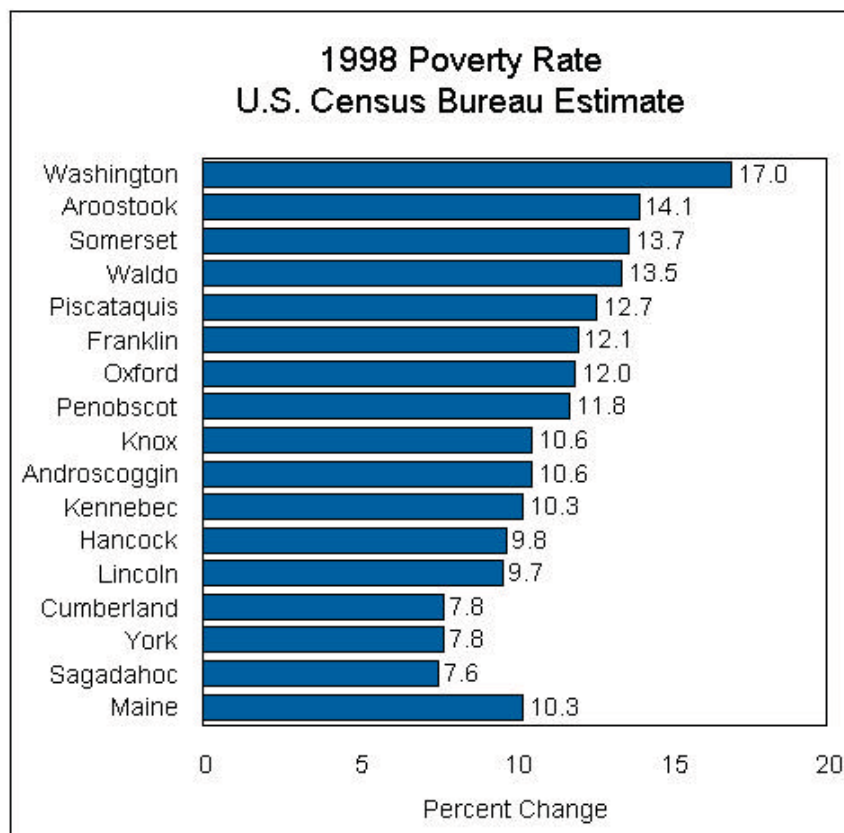
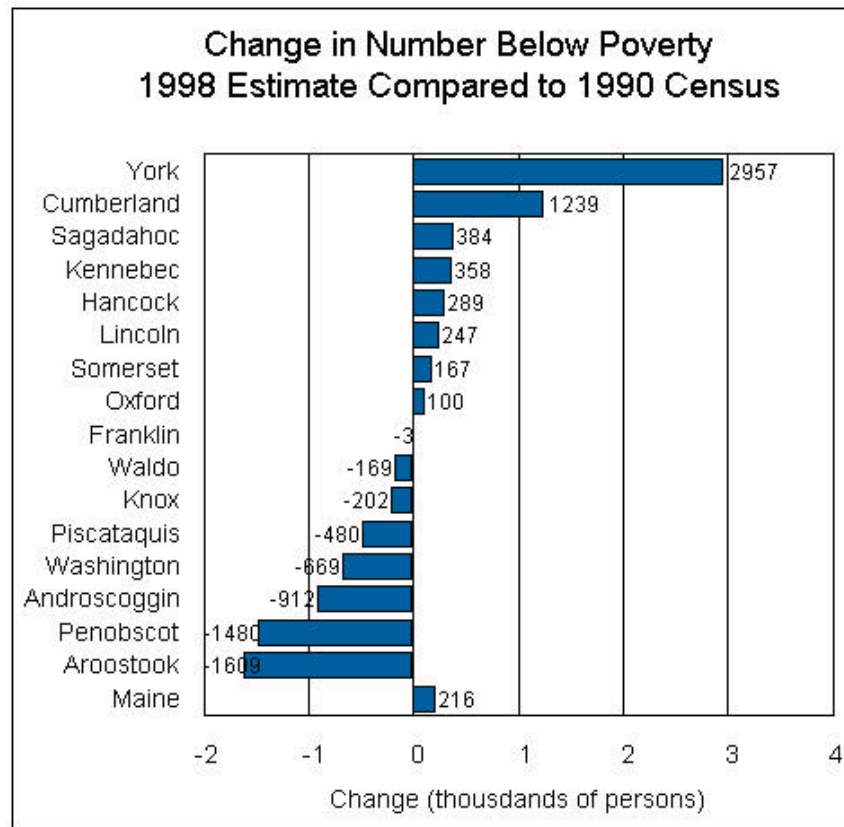
To view or download previous years' reports:

[www.state.me.us/spo/economic/](http://www.state.me.us/spo/economic/) click on *Economics/Energy* and then on *Maine Economy*.

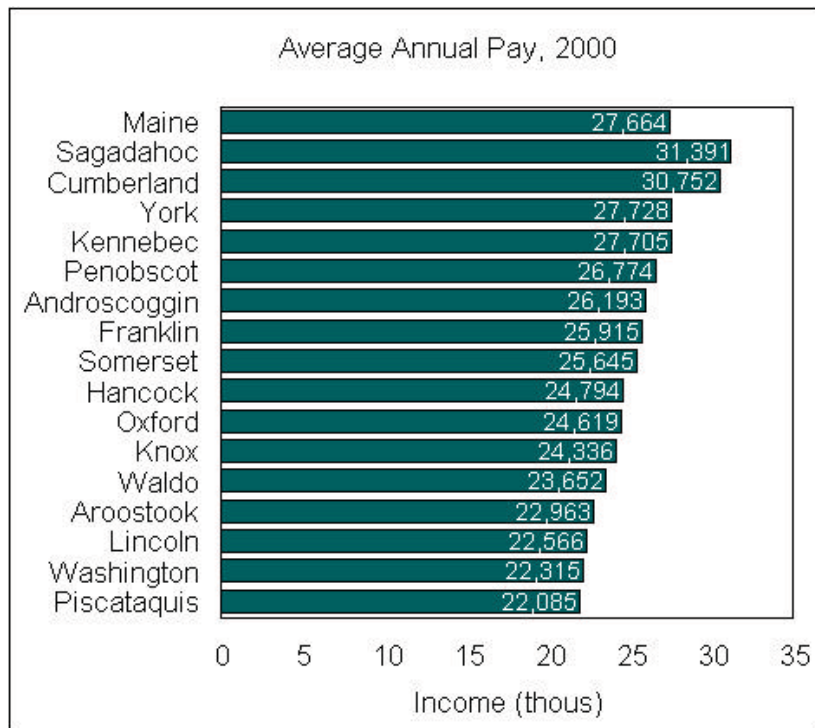
**Gap Between the Best and Worst Off Maine County**  
Data for most current year available

<u>Measures:</u>	<u>Year</u>	<u>Best Off</u>	<u>Worst Off</u>	<u>Me. Avg.</u>	<u>Index to the State Avg.</u>		<u>Range</u> <u>Width</u>
					<u>Best Off</u>	<u>Worst Off</u>	
Poverty Rate (%)	1998	7.6	17.0	10.3	0.74	1.65	91.3
Per Capita Income (\$)	2000	24,259	12,814	18,343	1.32	0.70	62.4
Dependence on Transfer Payments (%)	1998	12.3	28.6	16.9	0.73	1.69	96.4
Median Household Income (\$)	2000	45,599	24,066	35,599	1.28	0.68	60.5
Percent of Hshlds with income <\$20,000	2000	19	41	26	0.73	1.58	84.6
Unemployment Rate (%)	2001	2.3	8.1	4.0	0.58	2.03	145.0
Labor Force Participation rate (%)	2001	66.4	46.7	53.6	1.24	0.87	36.8
Employment Growth (1990-01) (%)	2001	53.7	-6.0	9.1	5.90	-0.66	656.0
Average Annual Pay	2000	31,391	22,085	27,664	1.13	0.80	33.6
Population Growth (1990-00) (%)	2000	13.5	-15.0	3.8	3.55	-3.95	750.0

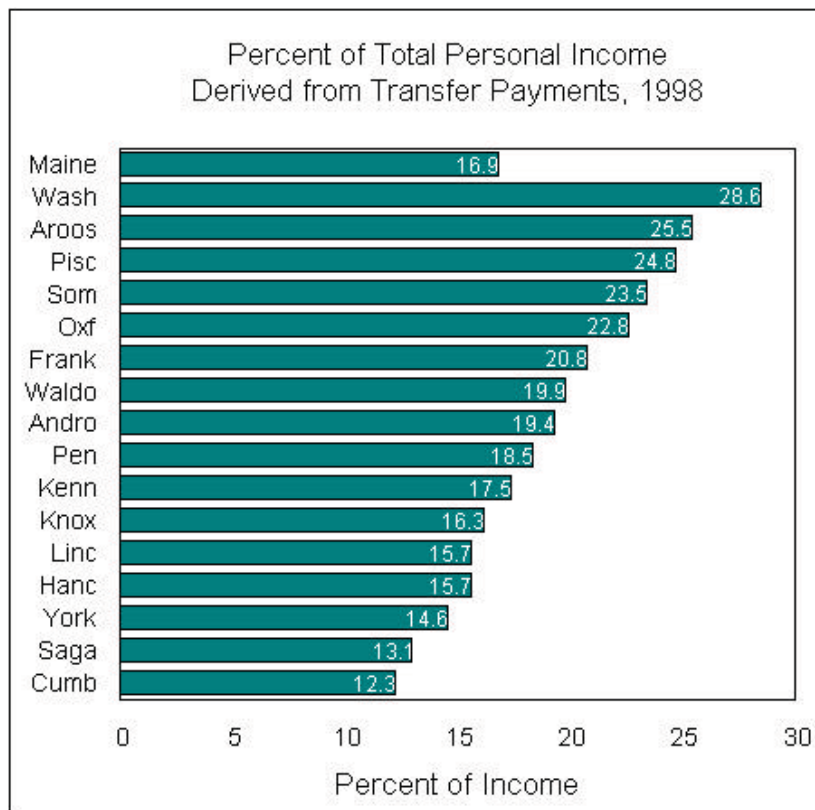
## 1. Poverty Level Estimates



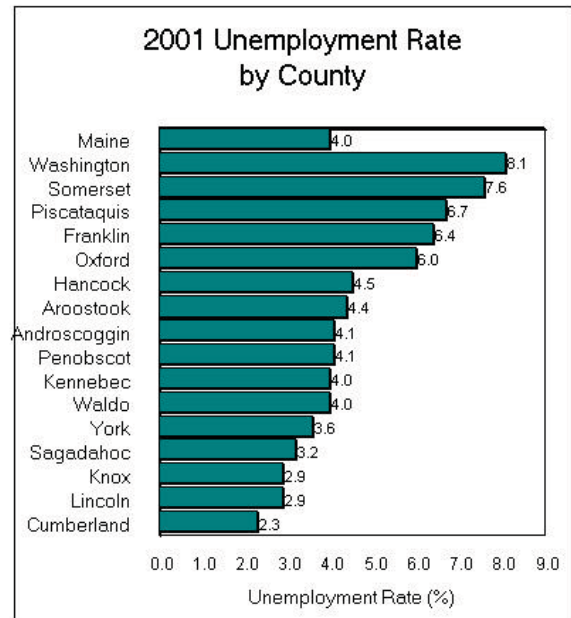
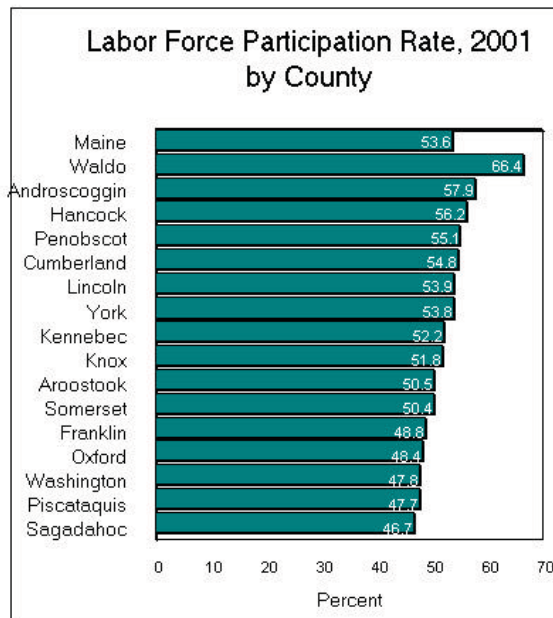
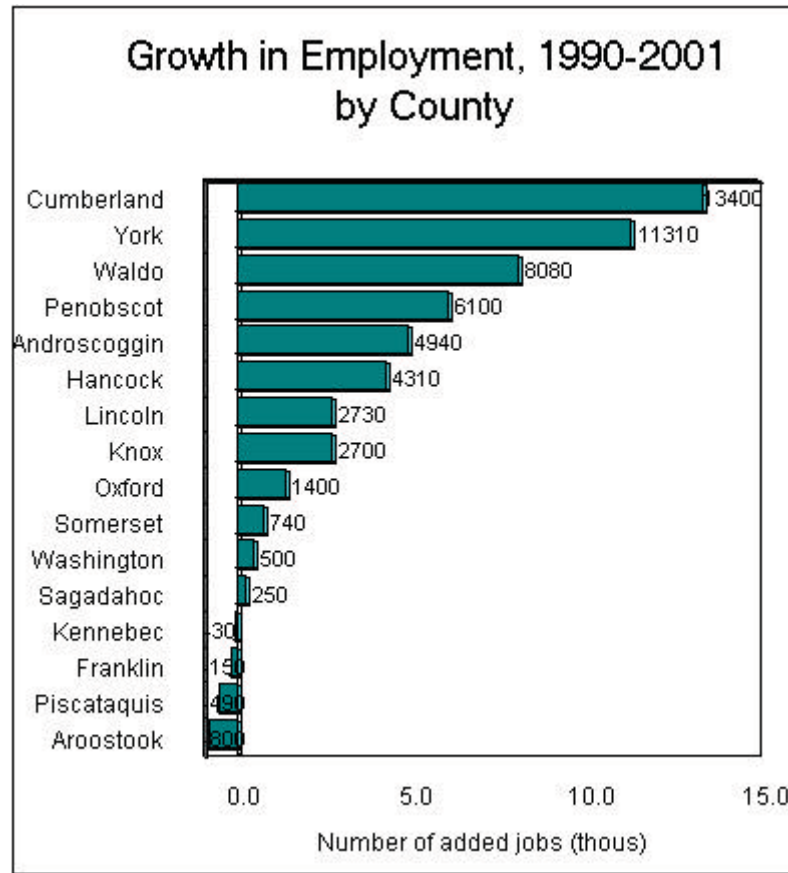
## 2. Earnings



## 3. Transfer Payments



#### 4. Employment





## New, Revised and Dropped Measures

Income Distribution: Income data by quintile for Maine has not been available from the Census Bureau since 1990 though the disparity among quintiles is estimated nationally each year. The Center for Budget and Policy Priorities computed income by quintile for states that are based on moving 3-year averages. The data from this source was included 2 years ago. No new figures are available until the detailed information from the 2000 Census becomes available.

Adequacy of Transfer Payments: Last year participation rates were included along with benefit level data. This has been continued. However, consistent annual data for some of the programs (TANF and Medicaid) has become unavailable.

Non-Governmental Services: The search continues for a reliable and consistent measure of services provided by private agencies. Anecdotal information indicates that such nonprofit entities fill a major gap for people who do not qualify for or choose not to accept public forms of assistance. Food pantries and soup kitchens represent one group of such services for which a method of collecting consistent data is under consideration.

Risk Populations: Data for at risk populations has been lacking for intercensal years. The three risk populations identified include elderly and disabled, children, and working low income adults. This year an estimate of the poverty rate for the population age 65 and over was data on elderly populations was released by the US Census Bureau.

## Definitions/Descriptions of Key Measures

### Transfer Payments (Source: US Bureau of Economic Analysis)

Individual income is made up of earned (wages, salaries, self employment, farm income, etc.) and unearned income (income from interest, investments, rents, retirement, and government payments to name a few).

Transfer payments are a form of unearned income and include all benefits received from public sources such as social security, railroad and veteran's benefits and retirement, health expenditures including Medicare and Medicaid and CHAMPS, disability payments, TANF, and others.

Transfer payments are an indicator of the extent to which individuals rely on public sources for their income. Because the amount of benefit is usually determined either by the level of earnings (social security, unemployment benefits, for example) or to the presence of poverty and extreme need, changes in their use reflect overall conditions that relate to poverty. Conversely, a large infusion of transfer payments or other dollars from other unearned sources can be viewed as contributing needed new dollars into a distressed area.

### Mass Layoffs (Source: US Bureau of Labor Statistics)

Mass Layoffs include only layoffs of at least 50 workers for a duration of 5 weeks or greater. The reader should be aware that there are many more layoffs of fewer workers and

short term (less than a month duration) layoffs that occur throughout the year, though they end to be concentrated in the winter-spring months. Mass layoffs are an indicator of major economic events and trends, such as strong or weak trade situations, down sizing trends, and shifting economic structure, such as the loss of manufacturing jobs and increase in trade and service employment.

Mass layoffs are not a good indicator of the dynamic nature of the economy in Maine, especially locally, because they reflect only the larger layoffs of longer duration and miss most of the temporary layoffs that occur from inventory backup and sluggish sales periods and the closing of smaller firms. There are far more layoffs occurring than the mass layoff data indicates. There is no data collected for layoffs involving less than 50 workers, and monthly data on layoffs of shorter duration often contains months for which data cannot be disclosed, creating incomplete information.

In spite of these drawbacks, in 2000, for instance (with 9 out of 12 months for which data could be disclosed), there were 43 layoffs of 50 or more workers, 15 of which were of 5 or more weeks' duration and included in the mass layoff data. The 43 layoffs that occurred in 9 months last year led to 10- 15,000 job losses. A total of 6,277 workers filed an unemployment claim in those 9 months. The 15 extended layoffs accounted for 2,173 of the claims (from less than half of the 4566 workers who lost their jobs) for unemployment compensation.

Income Inequality: The Census Bureau assesses the gap between the richest and poorest by dividing the population into 5 equal groups and comparing the fifth (quintile) having the lowest income with the four quintiles above it. Though the data is revised annually at the national level based on census surveys, no data has been available for states since 1990. The data for Maine included in this report card are prepared by the Center for Budget and Policy Priorities, which has begun estimating the level of inequality for states based on 3-year averages of income, much as the Census Bureau provides 3-year average median household income data for states. The data series developed by the Center begins with 1978-1980 and is current through the 1996-1998 3-year period.

Data on income equality is valuable because it provides a comparison of those with the lowest income to higher income groups and enables us to measure the rate of income growth by those at various income levels. For instance, over the period of analysis, (1978-80 compared to 1996-98) the income of the bottom fifth in Maine grew by 1.8% while the income of the top fifth grew by 25.3%, widening the gap between the rich and poor. The income of the top 5th of Maine residents more than 8 times as high as that of the bottom fifth. Though this may seem extreme, nationally, the income of the top fifth is 10.6 times greater than that of the bottom fifth.

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